



**CI-AA**

---

★ HISTORY OF THE OFFICE ★  
★ OF THE COORDINATOR OF ★  
★ INTER-AMERICAN AFFAIRS ★

---

★ HISTORICAL REPORTS ON WAR ADMINISTRATION ★

---

# HISTORY OF THE OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

HISTORICAL REPORTS ON WAR ADMINISTRATION



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
Washington : 1947

**FOR SALE BY THE SUPERINTENDENT OF DOCUMENTS  
GOVERNMENT PRINTING OFFICE  
WASHINGTON 25, D. C.**

**LETTER OF TRANSMITTAL**

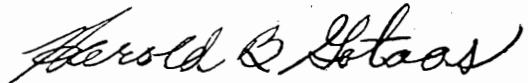
OFFICE OF INTER-AMERICAN AFFAIRS

*Washington 25, D. C., May 18, 1946.*

THE PRESIDENT,  
THE WHITE HOUSE,  
*Washington, D. C.*

MY DEAR MR. PRESIDENT: In accordance with the instructions contained in your letter of July 6, 1945 to the Director of the Bureau of the Budget, I herewith transmit to you a report on the Office of the Coordinator of Inter-American Affairs covering the history of this agency from its inception in August 1940 to the present date as part of the administrative history of the Government during the war years.

Respectfully submitted,



Harold B. Gotaas,  
*Director.*

OFFICE OF INTER-AMERICAN AFFAIRS

499 Pennsylvania Ave., NW., Washington 25, D. C., May 17, 1946.

Mr. HAROLD B. GOTAAS, *Director*  
*Office of Inter-American Affairs,*  
*Washington, D. C.*

DEAR MR. GOTAAS: I am presenting herewith a report on the history of this agency as a part of the general program of the Government in recording administrative experiences during the war years. The title of the study "A History of the Office of the Coordinator of Inter-American Affairs" has been chosen since it was known as OCIAA for a longer time than in the case of either of the two other names which it bore, and because this was its designation during the war years.

The study has been divided into two main parts. The first of these covers the major operations of the Office. These have been treated functionally; limitations in time necessitated this type of presentation rather than a chronological discussion covering individually the hundreds of projects undertaken by the agency during its existence. The second part of the report covers the organizational development of CIAA, its relations with other government departments and agencies, and a discussion of techniques employed in its operations.

Materials of all types in the files of the agency have been used in preparing the study, and these have been supplemented by information supplied by persons concerned with the growth of the Office, within limits imposed by time and other circumstances.

Respectfully yours,



Donald W. Rowland,  
*Historical Officer.*

## CONTENTS

### PART I—OPERATIONS

<i>Chapter</i>	<i>Page</i>
I The Founding of CIAA . . . . .	3
II Commercial, Financial, and Economic Development Activities . . . . .	11
III Transportation . . . . .	25
IV Press and Publications . . . . .	41
V Radio Operations . . . . .	57
VI Motion Picture Operations . . . . .	67
VII Information Services . . . . .	83
VIII Cultural and Educational Activities . . . . .	91
IX Inter-American Activities in the United States . . . . .	105
X Health and Sanitation . . . . .	115
XI Food Supply . . . . .	127
XII Emergency Rehabilitation and Training Operations . . . . .	137

### ILLUSTRATIONS

<i>Page</i>	<i>Page</i>
Railroad Projects . . . . .	35
Highway Projects . . . . .	38
Services to Latin American Newspapers . . . . .	44
Services to the Public . . . . .	47
OIAA Covers the News . . . . .	50
Matted Features and Photos . . . . .	52
Pamphlets . . . . .	54
United States Short Wave Programs . . . . .	62
Local Radio Station Coverage . . . . .	64
35 mm. Features . . . . .	68
16 mm. Production . . . . .	70
16 mm. Audience . . . . .	73
35 mm. Newsreels . . . . .	75
35 mm. Shorts . . . . .	78
16 mm. Projection Equipment . . . . .	80
Cooperative Education Program . . . . .	99
Allocation of Education Funds . . . . .	100
Education Program (Map) . . . . .	102
Lectures and Institutes . . . . .	108
United States Activities, Centers and Areas . . . . .	111
Inter-American Cooperative Health Program . . . . .	118
Food Supply Activities . . . . .	130
Food Supply — Cash Commitments . . . . .	134
Training in the United States . . . . .	140
Training in Latin America . . . . .	142
Organization — December 4, 1940 . . . . .	Facing 150
Organization — August 27, 1941 . . . . .	Facing 152
Organization — May 2, 1942 . . . . .	156
Organization — October 8, 1942 . . . . .	Facing 158
Servicio Organization . . . . .	234
Coordination Committees and Centers . . . . .	250
Regional Set-Up (Map) . . . . .	Facing 258
CIAA Commitments (Divisions) . . . . .	263
CIAA Total Obligations . . . . .	265

### PART II—ORGANIZATION AND ADMINISTRATION

XIII Organizational Development . . . . .	147
XIV Philosophy and Authority . . . . .	165
XV Relations of CIAA with the Department of State . . . . .	181
XVI Relations of CIAA with Other Information Agencies . . . . .	195
XVII Relations with BEW, FEA, and Other Agencies . . . . .	207
XVIII Administrative Methods and Techniques (Washington) . . . . .	221
XIX The Subsidiary Corporations . . . . .	231
XX Coordination Committees . . . . .	245
XXI Budget and Finance . . . . .	261
XXII Termination of the Agency . . . . .	271
Appendix . . . . .	279



## Part I. OPERATIONS

---

## THE FOUNDING OF CIAA

The United States Government agency which was to be known through most of its existence as the Office of the Coordinator of Inter-American Affairs<sup>1</sup> was created as a result of world conditions existing in the summer of 1940. With the success of German armies in Western Europe which had resulted in the collapse and conquest of Belgium and the Netherlands, the defeat of the British forces on the continent, and the fall of France and organization of the Vichy Government, the threat to the Western Hemisphere was intensified even beyond a point at which the dangers involved had caused grave concern to the Government of the United States.

South and Central America had already been of importance in several ways in the Nazi blueprint for world domination. In the first place, the Axis realized that the United States was a potential enemy and that the creation of disunity in the Western Hemisphere would greatly increase its chances for success in case of war. Likewise, the other American republics had been important as producers of raw materials to speed German rearmament. During the 1930's the Axis had bought large quantities of Latin American commodities and had paid for them in blocked currency which, since it could only be spent in Germany, curtailed the flow of free exchange and tied in the trade of the area to the Nazi economy. In addition the other American republics were a potential field for colonization. Already there were considerable numbers of German nationals living in the Western Hemisphere, and under the program of the Nazis most of these persons had been drawn into a tightly-knit organization directed

from Berlin. In addition, an attempt was made to enroll the even larger numbers of citizens of German descent living in the other American republics into a sort of "hemisphere fifth column" which would include not only German nationals, but Japanese, Italian Fascists, Spanish Falangists, and Fascist elements native to the various countries. With the other American republics as a possible vulnerable flank for attack against the United States, economic penetration was interlocked with a propaganda program, designed to arouse antagonism against the United States and disseminated through German banking houses and business firms as well as through German schools, cultural centers, athletic clubs, and other societies. Subsidized press agencies, Axis controlled radio stations, and German produced motion pictures also played their part in the attempt to attack the prestige of the United States.

On the other hand, some efforts had been made by the United States before 1939 to strengthen hemisphere solidarity. The development of the Pan American movement and the attempt to place the relations of the United States with the other American republics on a more friendly basis after 1930 are too well known to need description herein. As early as 1936, there had been started a move toward an inter-American organization to unify the American Hemisphere on a multilateral basis against possible aggression from outside. In the Eighth Inter-American Conference in Lima, in December 1938, an additional step had been taken by making provision for consultation of the foreign ministers of the American republics whenever the war, which then seemed so imminent in Europe, should actually start. Following its outbreak, the first such conference had been held in Panama in September, 1939, for the purpose of providing for hemisphere defense and the maintenance of its economy in the

<sup>1</sup> The agency was entitled the "Office for Coordination of Commercial and Cultural Relations between the American Republics" from August 16, 1940, to July 30, 1941; the "Office of the Coordinator of Inter-American Affairs" from July 30, 1941, to March 23, 1945; and from March 23, 1945, to its termination on May 20, 1946, as the "Office of Inter-American Affairs." Hereinafter the second title will be used in general to designate the agency, except in cases where it is necessary to be specific.



face of the evident dangers involved in the world conflict. At this conference an attempt had been made to protect the Western Hemisphere by establishment of a neutral zone around it, but this method of keeping the war away from the New World was not to prove successful. At the same meeting the American republics established an Inter-American Financial and Economic Advisory Committee, which was to attempt to solve war-created problems in the economic and financial field, and under whose auspices was formally organized in June of 1940 an Inter-American Development Commission<sup>2</sup> to promote and facilitate the fuller realization of the economic potentialities of the American republics.

This, however, was not enough in view of the increased gravity of the situation caused by German successes. The administration in Washington, both because of its friendship with the Allied cause and its own need for preparedness, either in the advent of war or for existence in competition with totalitarian economies should the Axis powers win the war, felt that additional action was necessary. Throughout the Central and South American countries conditions were developing which could lead to a financial and economic breakdown, which would not only endanger the safety of the countries themselves but also that of the United States. The war by this time had cut off many markets for agricultural and mineral goods produced in Latin America, sale of which was essential for the maintenance of the economies of the countries concerned since few of them had financial reserves.<sup>3</sup> At the same time in the United States, with a powerful defensive military machine now an evident need, it was realized that many strategic materials could no longer be obtained from areas now under control of the Axis powers. For these reasons, persons in the United States became interested in easing the situation in Latin America by large purchases of raw materials, thereby supplying foreign exchange which in turn could be used to purchase needed manufactured and semi-fabricated goods and which would thus afford revenues to the governments of the

other American republics through import and export duties. These activities would not only relieve financial pressures but also would maintain employment at a level which would tend to prevent discontent and disorder and thus eliminate a fertile field for Nazi propaganda. At the same time the United States would be securing for itself stockpiles of materials which would be needed for the building of a machine for military defense and for industrial use, and would be denying the Axis powers the opportunity to purchase these same items.

For the purpose of discussing new needs in the defense of the Hemisphere, the United States Government proposed that a meeting of foreign ministers of all the American republics, then set for October, be convoked at once. The Conference was to concern itself particularly with the problems involved in a possible change of status of the Caribbean possessions of countries conquered by the Axis, but it was hoped specific steps to safeguard the economic well-being of the American republics,<sup>4</sup> as well as their independence, would be taken. When it met in Habana on July 21-30, the Conference did act to expand and strengthen the activities of the Inter-American Financial and Economic Advisory Committee,<sup>5</sup> as well as to establish a policy in regard to colonial possessions in the Americas.

Even before the Habana meeting took place, however, a movement was started in the United States to solve economic problems connected with the other American republics which had been caused by the war. On June 15, 1940, President Roosevelt addressed a memorandum to the Secretaries of State, Commerce, Treasury, and Agriculture in which he noted he was

. . . anxious to get in specific form from the several Departments that are concerned with our economic relations with Latin America the combined judgment of the Secretaries of the Departments of State, Treasury, Agriculture, and Com-

<sup>4</sup> Address of Secretary Hull at the opening of the parley.

<sup>5</sup> The IFEAC was instructed to cooperate in country studies of measures to increase domestic consumption of commodities of primary importance in the economic life of the American nations; and to propose measures for the increase of trade among them; to create instruments of inter-American cooperation for temporary storing, financing, and handling of important commodities; to develop commodity arrangements with a view to assuring equitable terms of trade for both producers and consumers of commodities concerned; to recommend methods for improving standards of living for the peoples of the Americas, including public health and nutrition measures; and, finally, to emphasize the advisability of an inter-American cooperative organization in trade and industrial matters (see *Report of Secretary of State: Second Meeting of the Ministers of Foreign Affairs of the American Republics, Habana, July 21-30, Washington, 1940*).

<sup>2</sup> The resolution creating the Inter-American Development Commission was adopted by IFEAC on January 15, 1940.

<sup>3</sup> A brief review of the economic conditions of this period as given by Mr. Rockefeller is contained in U. S. Congress, House, *Second Deficiency Appropriation Bill, 1941*, Hearings before the subcommittee of the Committee on Appropriations, House of Representatives, 77th Cong., 1st Sess., pp. 689-91. Hereinafter reference to such hearings before committees considering the several appropriation bills will be abbreviated as follows: *Hearings, H.R. (or Sen.), 1941* (or other appropriate year, and with indication made if a deficiency appropriation is concerned).

merce relative to the action which this Government should take.<sup>6</sup>

With the note he enclosed what was described as a copy of "one of the many memoranda" which he had received relating to this subject. Considering the matter of great urgency, he requested that the group should report to him not later than June 20.

The memorandum which the President sent to the Cabinet Committee was entitled "Hemisphere Economic Policy"<sup>7</sup> and was predicated upon the necessity for the United States to protect its international position through the use of economic measures which would be "competitively effective against totalitarian techniques." At the same time it was pointed out that the security of the nation and its economic position in the hemisphere should be established in a frame of hemisphere economic cooperation and interdependence, and that the governments of all of the other American republics should be made acquainted with the program of the United States, and an effort should be made to obtain their wholehearted cooperation. It was held that the scope and magnitude of measures to be taken must be set on an effective basis since half measures would do more harm than good, and it was noted that some changes might be necessary in regard to domestic activities in the United States in order to fit them into the hemisphere plan as a whole. Emergency measures should be taken to absorb agricultural and mineral products where such surplus affected the welfare of the nations of the hemisphere; these surpluses should be pooled and disposed of under a single management, and steps should be taken to reorganize production on a long-term basis. The freest possible flow of trade should be established, with tariffs lowered or eliminated, with transportation improved and costs reduced, and with subsidies or compensation used where necessary to gain essential objectives. Increased investment in the other American republics should be undertaken by the United States, both to secure raw materials and to aid in maintaining a balance of trade. The problem of external debts should be faced realistically and should not stand in the

<sup>6</sup> In files of the Department of State. The President also indicated that he wanted to meet with Secretaries Hull, Morgenthau, and Wallace and Mr. Hopkins on Thursday (the 27th) to discuss Hemisphere economic policy

<sup>7</sup> A copy of the memorandum was obtained from the files of Mr. Nelson A. Rockefeller. It is also in the files of the Departments noted and among the Roosevelt papers. (See appendix for text.)

way of a constructive financial and trade program.

The administration of the program, which was to include effort by both private interests and the Government, would require organization in terms of common policy, program and timing. It was felt that the personnel in the United States Government service operating in the other American republics at the time was not adequate for the task, both in regard to numbers and training, and likewise that the representation of business interests needed strengthening to meet the needs envisaged. The memorandum suggested that the necessary integration of private interests and the various agencies of the Federal Government might be accomplished by the appointment of an interdepartmental committee and an advisory group drawn from private industry. In order to reduce feelings of departmental rivalry and to give the advisory committee direct access to the President when needed, it was proposed that the committee should be served by an executive who could be appointed to one of the vacancies among the President's staff of administrative assistants.

While the major part of this memorandum was devoted to economic matters, it was also suggested in a short paragraph that a vigorous program of educational and cultural relations should be pursued concurrently with the economic program.

This memorandum on a hemisphere economic program, (which was not only to result in the formation of CIAA, but likewise was of significance in the development of such corporations as the Rubber Reserve Company, Metals Reserve Company, and others) according to data available had been brought before the President by Mr. Harry Hopkins, one of his personal aides, and backed by Mrs. Anna Rosenberg, another advisor. It had been submitted to Mr. Hopkins by Mr. Nelson Aldrich Rockefeller at a meeting on June 14, 1940, which was attended also by Mr. Beardsley Ruml.<sup>8</sup>

Nelson Aldrich Rockefeller, whose interests in Latin American affairs had led to the submission of this special memorandum to the President, was the second son of John D. Rockefeller, Jr.; he was 32 years old in 1940. He had been educated at Dartmouth College, finishing in 1930, and then had had training in the Chase National Bank,

<sup>8</sup> A copy of this memorandum supplied from Mr. Rockefeller's files had the following secretarial note attached: "Note for files: Mr. NAR presented this plan to Secretary Harry Hopkins at a meeting with him and Mr. Ruml on June 14, 1940."

chiefly in the Foreign Department under the direction of Vice-President Joseph C. Rovensky and in Public Utilities under Edward L. Love, both of whom later joined him in the work of the Office of the Coordinator of Inter-American Affairs. He had much to do with affairs connected with the building of Rockefeller Center in New York, becoming the executive in charge of it in 1938. He was also appointed head of the Museum of Modern Art in New York in 1939 and had been trustee of the Metropolitan Museum of Art.<sup>9</sup>

His particular interest in the other American republics arose from visits and through the activities of enterprises in which he was concerned. His first visit was to Venezuela in 1935, when he went to examine a Museum of Modern Art; the similar Museum of Modern Art in New York supported the work of many Latin American artists. He also became familiar with the work of the International Division of the Rockefeller Foundation which was doing health work in Latin America. He acquired a working knowledge of Spanish, and in 1937 made a second visit, this time on problems connected with the affairs of the Standard Oil Company. On this trip, accompanied by Joseph C. Rovensky and several others, he visited some ten countries and became further impressed with the social and economic problems of the area. He then took part in the establishment of a development company in Venezuela, designed to set an example by the promotion of agriculture and industry, and also was instrumental in the construction of a modern hotel in Caracas.<sup>10</sup>

Following his return from Venezuela in 1937, and on the advice of Beardsley Ruml, he talked with Tommy Corcoran and Benjamin Cohen, both then active in Washington as aides to President Franklin D. Roosevelt, to see if it were possible to get an inter-American program started in which Government and private business would take part.<sup>11</sup> While these men expressed an interest in the idea, nothing further was done at that time.

In the summer of 1940, Mr. Rockefeller again took up the matter of pushing a program in the

inter-American field. At his request, certain of his advisers prepared in New York a memorandum<sup>12</sup> on the need for United States action in that area in connection with the coming of the war, and it was this document he had submitted on June 14 to Mr. Harry Hopkins, then working closely with President Roosevelt.

On June 20, the Committee of four Cabinet members to whom President Roosevelt had submitted the memorandum on hemisphere economic policy reported back, submitting specific proposals which named as the objectives of the economic program the safeguarding and strengthening of the economy of the Western Hemisphere and the maintenance and expansion of the income and purchasing power of producers in the area. Formation of an "inter-American corporation" which would operate for joint marketing of the important export staples of all the American republics was suggested and, pending creation of such an organization, the Committee proposed that the United States Government should act immediately in the handling of certain critical commodity situations.

On July 3, 1940, a further report was submitted to the Cabinet Committee on Inter-American Affairs by a committee called the Inter-Departmental Committee of Experts.<sup>13</sup> Recommendations made included enactment of legislation permitting the Reconstruction Finance Corporation to set up an appropriate agency or agencies for handling hemisphere export products, an increase in the lending powers of the Export-Import Bank by \$500,000,000, a program of cooperation with certain American countries to strengthen monetary and exchange systems, encouragement of the implementation of the then proposed Inter-American Bank, and provision of funds and staff for the Inter-American Development Commission. Of most interest in regard to the creation of a separate agency to integrate inter-American activities, the Committee proposed immediate creation of an effective means of formulating policies and of coordinating the work of the existing agencies through the appointment of a single Coordinator, functioning under a permanent

<sup>9</sup> For popular accounts of his education and background, see Geoffrey T. Hellman, "Best Neighbor: Nelson A. Rockefeller," in the *New Yorker*, April 18, 1942; Noel F. Busch, "Nelson A. Rockefeller," in *Life*, April 22, 1942.

<sup>10</sup> Three men connected with the Venezuelan development company—Carl B. Spaeth, Edward H. Robbins, and Kelso Peck—and Wallace K. Harrison, architect for the Caracas hotel, later became leading figures in the work of CIAA, as also did Joseph Rovensky.

<sup>11</sup> Statement of Nelson A. Rockefeller to employees in CIAA training program, November 4, 1941.

<sup>12</sup> Beardsley Ruml, a director of the Spelman Fund and adviser of National Resources Planning Board, was one of these; the other two were Joseph C. Rovensky and Laurence Rockefeller, according to a statement by Mr. Rovensky made September 24, 1941, to W. O. Inglis. Another authority (Hellman, *op. cit.*) said five men participated in preparation of the memorandum.

<sup>13</sup> This Committee apparently had been named by the Cabinet group to investigate the subject, and was headed by Leo Pasvolksy of the Department of State. The report is in the files of the Department.

Cabinet Committee on Inter-American Economic Affairs and with the aid of appropriate Committees.

Meanwhile, before the report of the Pasvolsky committee had been received, the White House had gone ahead with plans for working out a hemisphere program. On June 28, 1940, Mr. James Forrestal, formerly of Dillon, Read and Company of New York, was appointed Administrative Assistant to the President and was immediately assigned the task of dealing with inter-American affairs. During the next month he drew about him several assistants informed in the field and in economic matters. Among these was Mr. Rockefeller, who came to Washington in early July.

By August 1, 1940, the group in the White House working on plans for the handling of inter-American affairs had decided that it would be more effective to create a separate agency, instead of continuing to work under an administrative assistant to the White House. Plans had progressed far enough to prepare a memorandum which proposed the appointment of a "Coordinator of Latin American Commercial and Cultural Relations," who would be under the Advisory Commission to the Council of National Defense.<sup>14</sup> This official would work in "close cooperation with the administrative assistant to the President in charge of Latin American Affairs." His duties would include the power to make studies and to recommend a program which would correlate commercial and cultural<sup>15</sup> activities in the field and relate those activities to the program of National Defense. The memorandum emphasized that the Latin American program was a program of hemisphere defense and should therefore be correlated with the work of the Council of National Defense, and also that there was immediate need for an executive vehicle to correlate the activities of the several agencies and departments working on Latin American problems. It was believed that by coordinating the Latin American and the national defense programs, substantial savings of time and money could be effected.

At some time in this period it was decided to name Mr. Forrestal Under Secretary of the Navy Department (he was actually appointed August

21, 1940) and the proposed program now came under the leadership of Mr. Rockefeller.<sup>16</sup> The new agency proposed was established by an executive order of the Council of National Defense on August 16, 1940, as a subordinate body to the Council itself.<sup>17</sup> It was named the "Office for Coordination of Commercial and Cultural Relations between the American Republics" and was to be headed by an official to be called the "Coordinator," who would serve without compensation.

The Coordinator was to:

... establish and maintain liaison between the Advisory Commission of the Council of National Defense, the several departments and establishments of the Government and such other agencies, public or private, as he might deem necessary or desirable, to insure proper coordination of, with economy and efficiency, the activities of the Government with respect to Hemisphere defense, with particular reference to the commercial and cultural aspects of the problem.

He was also to be a member and chairman of an Inter-Departmental Committee on Inter-American Affairs which was to include the president of the Export-Import Bank, one representative from each of the following Departments: State, Agriculture, Treasury, and Commerce, and such representatives from other agencies and departments as might be needed from time to time. This Committee, created in the order establishing the new agency, was to "consider and correlate proposals of the Government with respect to Hemisphere defense, commercial and cultural relations and to make recommendations for action by appropriate Government departments and agencies."

The Coordinator was to "review existing laws, coordinate research by the several Federal agencies, and recommend to the Inter-Departmental Committee such new legislation as might be

<sup>14</sup> An undated draft memorandum of this period (apparently a proposed press release from Mr. Forrestal), noted that Mr. Rockefeller had accepted the position of Coordinator and stated that: "In order to devote all of his time to the new position, Mr. Rockefeller has resigned as director and officer of the enterprises with which he has been associated in South America and has obtained leave of absence from Rockefeller Center, Inc. He will continue as President of the Museum of Modern Art."

<sup>17</sup> See Appendix for text of order. Authority of the Council of National Defense to create such a body lay in Section 2 of the Act of August 29, 1916, which read in part as follows:

"... the council may organize subordinate bodies for its assistance in special investigations, either by the employment of experts or by the creation of committees of specially qualified persons to serve without compensation, but to direct the investigations of experts so employed."

The preceding paragraph of Section 2 required the Council to:

"supervise and direct investigations and make recommendations to the President and the heads of executive departments as to ... the creation of relations which will render possible in time of need the immediate concentration and utilization of the resources of the Nation."

The emphasis in the Act of August 29, 1916 was on fact-finding and the making of recommendations, rather than affirmative action.

<sup>14</sup> Memorandum dated August 1, 1940, 1 p.m. The Council of National Defense had been created by the Act of August 29, 1916 (39 Stat. 649).

<sup>15</sup> According to a statement of Mr. Forrestal to the writer on November 1, 1945, President Roosevelt himself was responsible for the specific inclusion of cultural matters among the duties of the proposed Coordinator.

deemed essential" to the effective realization of the basic objectives of the Government's program. In the formulation and execution of this program which, "by effective use of Governmental and private facilities in such fields as arts and sciences, education and travel, the radio, press, and cinema, would further national defense and strengthen the bonds between the nations of the Western Hemisphere," he was instructed to cooperate with the Department of State. He was responsible directly to the President, to whom he was required to submit reports and recommendations.

The Coordinator was expected to attend the weekly meetings of the Advisory Commission of the Council of National Defense and to discuss and report on problems of the other Americas as they related to the defense of the Hemisphere.

The same order which established the Office for Coordination of Commercial and Cultural Relations between the American Republics appointed Nelson A. Rockefeller as its head; his optimism, directness, and enthusiasm and interest in the Latin American field and the "good neighbor" idea had gained him the post despite the fact that he was a Republican, rather youthful, and lacking in experience in governmental administrative practices. Particularly in the cultural field, the Rockefeller name was also considered an asset.

Following chapters will be concerned with the various phases of agency operations and its organizational growth and relationships; to tie these together, a brief over-all "preview" of its history will be of value.

The organization which was thus launched in August 1940 was to last through the war years into May of 1946. It was to change its name twice, one of the few agencies in Washington to do so without real alteration of either structure or functions. Its personnel was to grow under the pressure of war until it numbered some 1,100 persons working in the United States and almost 300 technicians abroad; for most years, however, less than 1,000 persons carried out its operations in the United States. In the other American republics it was to be instrumental in the formation of some twenty committees of United States citizens who served to carry out its information activities in those republics. Five subsidiary corporations were to be created to carry out its operations. Compared to most other war agencies the personnel of CIAA was quite small, a fact

made possible first by its limitation in operations to a specific area, and second (and much more important) by its use whenever possible of other government agencies or private entities to carry out its functions.

In regard to expenditures, despite some charges to the contrary, the amount of money eventually disbursed by CIAA was a mere bagatelle in a war where expenditure figures each month reached astronomical proportions; the Office of War Information, for example, spent far more money in shorter time. In round numbers, it is estimated that around \$140,000,000 will cover the costs of its entire program including completion of operations which will last into 1949.

The functions of CIAA were primarily designed to meet an emergency need when it was created, but throughout its entire existence the Coordinator and his associates were as much interested in long-range projects looking toward improvement in conditions in the hemisphere as they were in those concerned with the war effort. However, because the formation of the Office was carried out at a time when the Roosevelt administration viewed the coming of war as an imminent possibility, and as a mechanism to aid in meeting this danger, and because of the point of view adopted by permanent departments of the government and by Congress,<sup>18</sup> the long-range objectives of the Coordinator were inevitably subordinated to those concerned more immediately with the war emergency. This is not to say that the latter were considered in any way unimportant by CIAA. In fact, the entire program carried out by it must be viewed as a part of the war effort and evaluated on that basis; the basic assumption of the agency through the critical years of the war was that it was fighting a battle fully as important in its way as that in the front lines. Its first weapon was money, to be utilized to maintain the social and economic welfare of the other American republics, with operations in nutrition, health and sanitation, and even education, directed toward this objective. Another part of the campaign was concerned with information, dispensed through all media to inform the other American nations of the war objectives of the United States and to increase understanding (both in those countries and in the United States) of the ideas and doings of neighboring republics of the hemisphere. Money was thus expended and experiments attempted

<sup>18</sup> See chapter 14.

which could not have been justified in time of peace, but which were considered worth the trial in view of the urgency of the situation.

To summarize operations, the first field in which the Coordinator began to work was that connected with the commercial, financial, and economic situation of the other American republics, in August of 1940, already seriously affected by the war in Europe. Activities in this area for the first year and a half more nearly justified the title of "Coordinator" given to Mr. Rockefeller than those in any other year, for it was necessary in most cases to bring together two or more government agencies as well as private concerns, to make programs in this field effective. In 1940 and 1941 the Coordinator aided in operations looking toward the disposal of surpluses in the other American republics and preclusive buying of strategic and critical materials by the United States. He also served as watchdog of the interests of Latin America in regard to such things as priorities and shipping since these were a part of hemisphere defense, and he attempted to solve the problems of Latin American finance whenever possible. In the latter part of 1941 CIAA and the Board of Economic Warfare joined forces for economic activities in the hemisphere. The plan, however, was functionally unsound, and dual responsibility was ended after only a few months of operation, with the greater part of the economic functions formerly performed by CIAA now transferred to BEW. The Coordinator still continued a small staff in the commercial and financial field, and likewise was given tasks to carry out in the field of transportation, as when the agency was assigned responsibility for the work of a commission needed to keep the wheels of the Mexican rail systems turning for transportation of strategic materials north to the United States. It also undertook to meet the very serious shipping shortage created by the submarine campaign of Germany and the withdrawal of shipping from hemisphere trade through the purchase of vessels and by a program for the construction of wooden sailing vessels (neither of which was eventually effective, but which did not have to be carried through because Allied successes eliminated some of the dangers concerned).

In the information field CIAA had no competitors at the start, as it had had in the commercial and economic area. The agency itself started the dissemination of information to combat Axis propaganda because it found no other machinery

available, and a program of activities in radio, motion pictures, and press developed steadily through the first year. By 1942 it found competitors, first in the Office of the Coordinator of Information and later in the Office of War Information. These agencies, concerned with the overall function of dispensing information for the United States in connection with the war effort, felt that operations of this category in the other American republics logically were a part of their responsibilities. Mr. Rockefeller, on the other hand, believed that they could best be carried out by CIAA and eventually was successful in maintaining jurisdiction. In the same period (the first half of 1942) questions of authority between CIAA and the Department of State were determined by giving the latter the final decision on all projects to be carried out outside the country, acting in its capacity as the agency responsible for the handling of foreign relations. From this time on the two worked effectively together. Information activities of the agency were maintained on a basis of active operation until August 1945, when they were transferred with portions of the Office of War Information to an Interim Information Service preparatory to becoming a permanent part of the Department of State.

In the cultural field, CIAA got underway in regard to operations in the fall of 1940, undertaking a number of projects of various types. After Pearl Harbor, many of these were terminated as rapidly as possible because they were considered less essential than activities in other fields. Within a year a division of responsibility was worked out with the Department of State, with the latter taking over those parts of the program which were considered long range, while CIAA continued to handle others held to be of an emergency nature, such as certain activities in the field of adult and vocational education. Eventually, a subsidiary corporation to carry out educational programs was formed, and jurisdiction of its incomplete program passed to the Department of State with the termination of the Office of Inter-American Affairs.

Late in 1941 the Coordinator became concerned with problems of health, both in regard to operations connected with the war effort, and as a means of bettering conditions in the hemisphere on a long-term basis. He was able to interest President Roosevelt in needs in this respect. Funds were allotted from the President's Emergency Fund, and a strong program looking toward improve-

ment of health and sanitation was started in the spring of 1942. A subsidiary corporation was created (the Institute of Inter-American Affairs) to carry out this program, because it was recognized that funds would have to be available on more than a year-to-year basis, and likewise because it was desired to utilize a medium which could develop the program on a basis of mutual cooperation between the United States and the several American republics. "Servicios" representing both entities were created, a device not used before by the United States in the foreign field. Almost as soon as the health and sanitation work was started it was recognized that nutritional problems were closely allied, and a Food Supply Division was added to work in this area. Within a short time also the Office was assigned certain problems of emergency rehabilitation, one the aftermath of border war between Peru and Ecuador, the other caused by the disastrous effect of the war upon the banana industry in Honduras. Possibly one of the most important features of the health and sanitation program, as it developed, was a program of training Latin American doctors and nurses who could continue the joint projects after the United States had finished its work; this same valuable function of training was also performed by CIAA in connection with transportation activities and in other fields of operation.

In 1943 the Coordinator planned to expand the economic functions of the agency again, particularly in regard to the development field in both industry and transportation. He had been appointed a representative of the United States on the Mexican-American Committee for Economic Cooperation and had hopes that the work of this body would serve as a guide for similar operations in various other American republics. While some success in planning and even in carrying out a minimum program for 1944 was achieved by this body, it never was able to develop into a broad hemisphere program because of shortages of essential materials caused by the war, problems of jurisdiction and responsibility among various United States Government agencies operating in the economic field, and the impossibility of carry-

ing it out on a common basis for all Latin American states. However, CIAA made substantial contributions through aid in the training of Latin American technicians in the United States, the inspection of United States plants and facilities by Latin American engineers and officials, the medium of extensive surveys which would be of aid to the governments of the other American republics, and the sending of transportation and other technicians to aid in the solving of problems in their respective fields.

The Coordinator also carried out a limited number of operations in the United States. While the Office of War Information had general responsibility for dissemination of information regarding the war effort, it was within the Coordinator's function to inform the people of the United States of conditions in the other American republics and the ideas of their residents. In order to carry out this program of furthering mutual understanding, CIAA established, with the aid of interested local groups, various centers in the United States which were used to supply speakers, informational material, motion pictures, and similar items for use throughout the country. Financial aid was also given to universities and colleges in connection with the training of teachers in the Latin American field.

Even before the end of the war Mr. Rockefeller and his associates, with the cooperation of other government agencies, took steps for the preservation of these long-range activities in the CIAA program considered essential for hemisphere welfare. Certain functions went to old line departments, or were continued by the subsidiary corporations transferred to the jurisdiction of these departments. Others were liquidated as concerned with the war effort alone, while in still other cases, such as the training program, private groups took over the work. Essential portions of the long-range program thus continued in operation after the termination by Executive Order of the Office of Inter-American Affairs as an entity on May 20, 1946, had marked the liquidation of the agency started as World War II threatened the Western Hemisphere in August 1940.

## COMMERCIAL, FINANCIAL, AND ECONOMIC DEVELOPMENT ACTIVITIES

The first interest of the Coordinator of Commercial and Cultural Relations between the American Republics was in the field of economic affairs; that this should be the case was to be expected in view of the original memorandum submitted by him to the President, which devoted several pages to a "hemisphere economic policy" and only suggested in a single short passage the development of a parallel cultural relations program. The proposal for establishment of an inter-American trading corporation, arising from the original memorandum and succeeding studies by the Cabinet Committee, and which would make use of some kind of blocked currency for the purchase of hemisphere surpluses, was abandoned as impractical even before the agency was established.<sup>1</sup> Instead, the group working in the White House on Latin American affairs had turned to a study of needs in connection with individual commodities and had gathered statistics on trade on these items.<sup>2</sup> Shortly after its organization, the activities of the agency under Mr. Rockefeller's direction were classified under three Divisions: Commercial and Financial, Communications, and Cultural Relations, but correspondence of the period indicates much activity of the agency in the first-named field while the other two divisions were still being organized.<sup>3</sup> The objectives of the Office in its first operations in the economic field, as stated in a report submitted to the President

by the Coordinator on a "Program of Action" for his Office, were as follows:

1. Extending direct financial aid to the American republics in amounts sufficient to enable them to preserve internal stability;
2. Reducing foreign exchange requirements of the American republics by adjusting their external debt services to accord with their capacity to pay, until developmental activity can be undertaken which will increase their ability to meet old and new financial obligations;
3. Utilizing the Inter-American Development Commission to stimulate commerce between the Republics, develop their resources and assist desirable advances in their industrialization;
4. Securing adequate provision for transportation facilities and adding to these as conditions warrant; (and)
5. Harmonizing the personnel and advertising policies of Latin American branches and agencies of United States concerned with the objectives of Hemisphere Defense.<sup>4</sup>

In subsequent months Mr. Rockefeller was to do more in the economic and commercial fields to justify the title given to him of "Coordinator" than was probably the case in any other field in which his agency was to carry out activities. Also, as the Coordinator stated to Vice President Wallace in August 1941, problems of economic defense in the hemisphere in the first year were to receive a major share of the agency's time and energy.<sup>5</sup>

The first major development of importance in the economic affairs of the other American republics after the Coordinator's Office was created was an increase in the lending authority of the Export-Import Bank from \$200,000,000 to \$700,000,000, with the added amount authorized "to assist in the development of the resources, the stabilization of the economies, and the orderly marketing

<sup>1</sup> According to a statement of Mr. James V. Forrestal in an interview to the writer on November 1, 1945.

<sup>2</sup> On July 22, 1940, James L. McCamy, Assistant to the Secretary of Agriculture sent Forrestal a requested list of leading commodities exported from Latin America and indicated that other data would be available if desired.

<sup>3</sup> In the early period the Office was usually to characterize its division concerned with economic matters under the heading "Commercial and Financial Division," while after 1943 the title applied was "Department of Economic Development."

<sup>4</sup> This report was submitted some time late in 1940 or early in 1941 in response to a request of the President expressed at a meeting of the Defense Commission. This formulation of the agency's objectives, made after several months of operation, was to a certain extent a recapitulation of activities already started.

<sup>5</sup> Nelson A. Rockefeller to Henry A. Wallace, August 13, 1941.



of the products of the countries of the Western Hemisphere."<sup>6</sup> While the Coordinator's Office did not directly appear as an agent in securing this great increase in the amounts available for loan to Latin American governments, banking institutions, political agencies or nationals, its leaders were very active in giving aid both in regard to seeing that the measure was carried through and later in facilitating arrangements for loans. The measure itself, while suggested somewhat earlier than the time of the first memorandum presented to the President in June, undoubtedly received an impetus from reports made by interdepartmental committees formed in connection with that memorandum, as noted in the preceding chapter.

In the first half year of the agency's existence, the amount borrowed from the Export-Import Bank by the other American republics had increased to \$115,000,000.<sup>7</sup> The Treasury Department also earmarked \$50,000,000 from the stabilization fund to bolster the currency of Argentina, although this money was not used by that country since the granting of the credit alone was sufficient to maintain the level desired in currency values. While in general not a comparatively great amount was to go out in Export-Import Bank loans immediately, the very fact that these funds were available eased fears of immediate economic distress which were developing in the other American republics because of the outbreak of the war.

A second problem in hemisphere economics which was clearly apparent by the summer of 1940 was the effect of the British blockade of the European continent after the fall of France in June 1940. Because of it, a large part of Europe was almost eliminated as a market for the products of the other American republics, and the United States, despite new needs, could not absorb more than 35 or 40 percent of the products from that area. As a result, commodities normally exported began to pile up and in some cases it was necessary to stop production, with resulting unemployment. At the same time, the other American republics were dependent upon the export of agricultural products and other raw materials to secure the foreign exchange necessary for the purchase of machinery, spare parts, and manufactured products of all kinds. This threat of economic collapse constituted a threat

to the security of the United States, as it offered a fertile field in which the Axis powers could carry on propaganda activities.

Even before Mr. Rockefeller was made head of a separate agency, with Mr. Forrestal and other individuals concerned with Latin American affairs, he had held meetings of an "Interdepartmental Committee on Inter-American Affairs" and had discussed problems connected with purchase of such commodities as coffee, wool, and hides from the other American republics. The first meetings of the Executive Committee of CIAA in August and September were likewise largely devoted to such matters; for example, much concern was felt over the possibility that the United States would purchase large quantities of needed wool from British dependencies alone, and the agency made efforts to see that a certain percentage of the United States needs were secured from Uruguay. The program of the Coordinator in this respect was aided by a letter of President Roosevelt to the members of the Cabinet and the Advisory Committee of the Council of National Defense on September 27, 1940, in which he gave instructions as follows:

Because markets for forty percent of the normal exports of Latin America have been lost due to the war, there is grave danger that in some of these countries economic and political deterioration may proceed to a point where defense of the western hemisphere would be rendered much more difficult and costly.

In the interest of hemispheric solidarity and as good neighbors the United States Government must do what it reasonably can to prevent any such development.

One thing we can do is to give sympathetic consideration to Latin American products in the procurement of strategic and critical materials for the defense program. Among such products may be mentioned hides, wool, nitrates, manganese, tin and numerous other commodities.

When buying in foreign markets for defense needs, it is my earnest desire that priority of consideration be given to Latin American products and I so request.<sup>8</sup>

As a result of the instructions of the President, and through cooperation on the part of private industry, the United States began to absorb into its stockpiles at least a fair part of the raw materials which formerly had been going to Europe. Items which might be mentioned as a part of the purchase of such strategic and critical materials are Chilean copper, of which some 60% had gone to Europe formerly, but of which the United States by 1941 was absorbing not only the normal

<sup>6</sup> Public Law No. 792, 76th Congress, approved September 26, 1940.

<sup>7</sup> This figure was noted by Mr. Rockefeller in an address to the League of Women Voters in New York, February 8, 1941.

<sup>8</sup> Quoted from an Office memorandum on "Development of Economic Warfare." A note in agency files indicates that Mr. Rockefeller conferred with the President on September 26 on the problem of surplus commodities, and that the above memorandum was a direct result of this conference.

output but an expanded production to meet new war demands. To a lesser extent the United States purchased surplus nitrates, wool, cotton, and other items. Large purchases of this type also were viewed by the Office as desirable, not only because purchase of strategic materials aided in solving the financial problems of the other American republics, but likewise because it was felt that their participation in this way with the United States in hemisphere defense would aid in increasing the identification of their interests with those of the United States and the Allied powers, rather than with the Axis.

Purchases of such strategic materials also became preclusive buying, and this phase of economic warfare was from the start one of the most vital concerns of the Coordinator. This type of buying was "motivated by the intention of preventing available supplies of war materials in neutral countries from falling, for want of other purchasers, into the hands of potentially hostile powers who are in need of them."<sup>9</sup> In November 1940 a memorandum from the Coordinator to the President said that in the course of activities of the agency in promoting the purchase of materials and supplies in the other American republics for use in the defense program as one means of affording relief in regard to surplus commodities, it had been noted "that Japan and Germany are making abnormal purchases in Latin America, and that large parts of Japanese purchases are in fact moved on to Germany through Soviet Russia."<sup>10</sup>

The Coordinator stated various government agencies were studying the problem of preclusive buying, and noted that if adopted it would affect the entire Latin American financial and development program. By January 1941 the Office had been assigned the specific task of assembling available data on the purchases of strategic and critical materials for the Axis powers in the other American republics,<sup>11</sup> with this factual material to be used as a basis for recommendations with regard to preclusive buying by the United States in that area. In the collection of this data it was soon found that sources of information available to the United States were not adequate, and members of

the Commercial and Financial Division of CIAA who were studying the situation made recommendations which resulted in the expansion and improvement of commercial and financial reporting by United States personnel in the other American republics.

Meanwhile, a plan for preclusive purchase contracts between the government of the United States and those of other countries had been developed and, beginning with Bolivia, a number of agreements providing that the United States should purchase specific quantities (or in some cases the entire exportable surplus) of stipulated strategic commodities at fixed prices for from 1 to 5 years; that the other American republics concerned would set up a control system over the export of such commodities; and that in return the United States would ship to the other American republics materials necessary for the maintenance of its economic essentials, insofar as this could be done under war conditions. With the declaration of war against Japan in December 1941, which shut off further sources of critical or strategic materials, attention was turned to Latin America to step up production of all materials that could be obtained from that area for the war effort. During the years 1942 and 1943, a total of 63 different items, all important in war production and some of which could not be obtained elsewhere, were drawn from the other American republics in varying quantities. Among these were such essentials in national defense as fibers, mahogany, iodine, ipecac, rotenone, manganese, tantalum, bauxite, tin, quartz crystals, rubber, industrial diamonds, and nickel, to mention only a few.

As noted, from the beginning the agency was concerned with commodity surpluses because their existence affected employment and economic stability in the other countries, in addition to their possible value in military defense.<sup>12</sup> As in the case of other purchasing operations, the Coordinator did not enter into this matter officially, but attempted to collaborate with interested agencies and private purchasers. An example of this type of effort is shown in a communication from Mr. Rockefeller to the Director of the Bureau of the Budget which noted that CIAA, "at the request of the Department of State and the Board of

<sup>9</sup> Report to the President by the Coordinator of Commercial and Cultural Relations between the American Republics (not dated, but made late in 1940 or early in 1941).

<sup>10</sup> Nelson A. Rockefeller to the President, November 28, 1940.

<sup>11</sup> Weekly report from J. C. McClintock to Nelson A. Rockefeller, Jan. 6, 1941.

<sup>12</sup> A memorandum from Nelson A. Rockefeller to Will C. Clayton, August 19, 1941, called attention to his concern over this problem, and suggested that some definite plan be made for the handling of surpluses of such products as sugar, coffee, cacao, and linseed.

Economic Warfare, has been participating in negotiations with the Cuban Sugar Commission which have been going on in Washington."<sup>13</sup> He pointed out that the position of the United States had been that it was impossible to import the entire Cuban sugar crop during coming years, and that because of this steps should be taken on a cooperative basis to broaden Cuban economy through programs ranging from highway construction to the production of other foodstuffs and crops yielding essential oils. CIAA had been requested by other agencies to undertake the stimulation and production of such foodstuffs and to subsidize the export of corn and beans by providing a small subsidy during the coming year.<sup>14</sup>

The problem of supplying certain Latin American needs, noted above as a concomitant of agreements made for the purchase of strategic materials, was a concern of CIAA from early in 1941. The heavy demands on American industry created by defense and civilian requirements, the development problems of priorities and export controls, the threat of restricted shipping facilities, and the elimination of certain importers who were on the Proclaimed List, steadily reduced the incentive of United States exporters to continue business in the other American republics. The result was a restriction of credit terms for Latin American merchants to such an extent that frequently cash payments at the time of purchase were required, thereby inflicting unusual hardships on these importers.<sup>15</sup>

In order to make possible the satisfaction of essential Latin American requirements in view of hemisphere defense needs, the Coordinator proposed that the Export-Import Bank establish special lines of credit in favor of selected banks in the other American republics, with these to be made available through similarly approved banks in the United States. Through the medium of the lines of credit established through these institutions, it would be possible for the importers in the other American republics to order goods without having to make payment until the shipment arrived at the port of destination rather than in ad-

<sup>13</sup> Nelson A. Rockefeller to Harold D. Smith, December 17, 1942.

<sup>14</sup> The Coordinator noted that the proposal had been cleared with all agencies participating in the discussion, but as this was the "first instance in which this Office has been requested to enter into the subsidy of foodstuffs purchases in order to stimulate production" he wished to obtain clearance from the Bureau of the Budget on such projects. So far as could be determined, this plan was never carried through; demands for Cuban sugar having proved to have been underestimated.

<sup>15</sup> As noted in memorandum from CIAA to the President of the Export-Import Bank, August 27, 1941.

vance of shipment. Additional measures facilitated payment of charges for insurance, shipping, and handling.<sup>16</sup> Where substitute firms were attempting to take over the purchasing formerly done by companies placed on the Proclaimed List, it was recognized that credit facilities beyond those provided in the general agreement might be needed, and such requests could be taken up with the Export-Import Bank individually and the case decided on its merits. During the latter months of 1941 the program for establishing special lines of credit for banks in the other American republics to help in financing United States exports to those nations was completed, and by the latter part of October the Coordinator was able to write to Mr. Warren Lee Pierson, President of the Export-Import Bank, as well as to Mr. Jesse Jones and Mr. Will C. Clayton, that it "should prove a most constructive step in eliminating a major bottleneck restricting essential credit within the hemisphere."<sup>17</sup>

Together with the problem of credit, CIAA found that the prices set by the Office of Price Administration would affect sales by United States exporters to the other American republics. Under regulations by the latter agency, exporting licenses were normally granted only at the ceiling price or lower, and there was also doubt that the differentials in the export price over the domestic ceiling would be sufficient.<sup>18</sup> It was feared that these factors would affect shipments of essential goods to Latin America. The Coordinator's Office and later BEW (after the merging of economic functions of the two agencies) vigorously advocated with the Office of Price Administration a policy on export prices which would enable the flow of essential goods to Latin America to continue without interruption. The Commercial and Financial Division of CIAA also gave aid to OPA in the preparation of price schedules and differential rates.

Even more serious was the question of priorities. As essential goods became scarce, the demand in the United States became greater, with the result that the other American republics found it more and more difficult to obtain materials urgently needed both to maintain their economies at a necessary minimum level and to keep up production of important strategic materials. Active interest in this problem by CIAA dated back to a

<sup>16</sup> *Ibid.* Provisions were included to protect the Export-Import Bank and other banks concerned and to pay a low rate of interest upon funds advanced.

<sup>17</sup> Nelson A. Rockefeller to Warren Lee Pierson, October 31, 1941.

<sup>18</sup> Kelso Peck to Monroe Oppenheimer, December 27, 1941.

November 1940 meeting of the Commission of National Defense,<sup>19</sup> when President Roosevelt requested that defense and civilian needs be projected for the year 1941. At this meeting the Coordinator indicated the need to include essential requirements for the other American republics in the production plans of the United States, and secured permission to file estimates of these requirements with the Priorities Board. Such an estimate was prepared, and after consideration by the Interdepartmental Committee on Inter-American Affairs was listed with the Board.<sup>20</sup>

In subsequent months it became increasingly clear that it would be necessary to accord certain of the essential Latin American needs a preferential position, after defense requirements, in the United States production schedule. Discussions with the Priorities Division of the Office of Production Management made clear that the necessary priority position for orders from other American republics could not be granted without a specific directive from President Roosevelt. The Coordinator took the matter to the White House, and the President agreed that defense needs of the hemisphere justified the consideration recommended. On April 5, 1941, he addressed a letter to Director General William S. Knudsen of the Office of Production Management in which he noted that since the outbreak of war in Europe "the economic stability of the other American republics" had been of primary concern to the United States, and that the economic well-being of neighboring nations was an "integral part of the hemisphere defense program." He reviewed the increase in lending powers of the Export-Import Bank the preceding year, and noted that the same desire to lend financial assistance to the other American republics at a time of economic crisis had led to his letter of September 27, directing procurement agencies of the government making foreign purchases of strategic and critical materials to give priority of consideration to sources of supply in the Western Hemisphere. He indicated that he had been advised that pressure upon production facili-

ties in the United States from the defense program was resulting in the unavailability of industrial and consumer goods for delivery to the other American republics, and that this threatened "serious dislocations in their economics." In the interests of hemisphere defense, therefore, he instructed the Office of Production Management to establish such procedures and orders as might be necessary to make appropriate provision of the needs of the other American republics essential for the maintenance of their industrial and economic stability, insofar as this could be done without prejudice to the national defense program of the United States.<sup>21</sup>

In response to the President's letter, Director Knudsen instructed various bureaus of his agency on April 14:

. . . to take appropriate steps in cooperation with the Coordinator of Commercial and Cultural Relations between the American Republics to establish such procedures and to issue such orders as may be necessary to make appropriate provisions for the satisfaction of essential Latin American requirements for industrial and consumer non-military goods and materials . . .

He also stated that CIAA was to be given appropriate representation upon committees and that proper contacts be provided.<sup>22</sup> A Committee on Essential Latin American Requirements was formed shortly afterward, and Mr. Rockefeller was made advisory representative to the Priorities Board and Special Adviser to the Director of Priorities in its relations with other departments and agencies of the United States, with regard to questions affecting essential needs of the American republics.<sup>23</sup>

Because foreign policy and diplomatic consideration were involved, the Coordinator undertook discussions with the Department of State before making specific recommendations on priorities to the Committee on Essential Latin American Requirements. Basic questions in this respect raised by the Department of State included the following:

(1) Purchase Negotiation Reports and applications for priority should be considered by the Department of State, but only after the applicant has demonstrated that he has

<sup>19</sup> As stated in a letter from Nelson A. Rockefeller to Dean Acheson, May 6, 1941.

<sup>20</sup> A memorandum from Nelson A. Rockefeller to Henry A. Wallace, August 13, 1941, noted that a fundamental idea of CIAA in economic defense efforts was that each restrictive measure should be countered by a positive one. Thus a counterpart of assistance to agencies eliminating anti-American consignees in the other American republics was the persistent effort of CIAA to secure affirmative satisfaction of essential Latin American requirements, and its concern with the problems of preclusive buying had been supplemented by efforts to give preferential consideration to Latin American sources of supply, resulting in the President's letter of September 27, 1940, noted above.

<sup>21</sup> Franklin D. Roosevelt to William S. Knudsen, April 5, 1941. Copies of the letter are in agency files. This letter is said to have been written without prior notification to the Department of State.

<sup>22</sup> OPM Administrative Order No. 3, April 14, 1941.

<sup>23</sup> OPM Division of Priorities, Administrative Order No. 3, April 16, 1941. CIAA was also to have representation upon each of the Group Priority Committees. For a time there was some question as to whether CIAA or the Department of State should be charged with the responsibility of presenting Latin American requirements within OPM, but it was eventually decided that CIAA should undertake the program. (Nelson A. Rockefeller to Dean Acheson, May 6, 1941).

exhausted all efforts to secure substitution of suppliers and materials.

(2) If substitutions are not possible, the Department of State will receive applications (PNR's and PDI's) from the foreign missions covering their government requirements and such civilian needs as the missions care to sponsor; no applications will be received from private persons; the American exporter and the Latin American importer must win the sponsorship of a Latin American government.

(3) The Department of State will decide upon the relative merits of the applications.

(4) The Department of State will forward these applications with their comments direct to OPM; OPM is not to consider applications for priorities or for PNR's which are not so transmitted.<sup>24</sup>

While CIAA agreed that the outlined procedure was appropriate for orders on foreign government account, it felt that problems would arise in regard to extending it to orders on private account, for it would be difficult for a Latin American importer to exhaust possible sources of supply since in most cases he had no representation in the United States; also he would lack the necessary information, and it would be difficult for him to compete with applicants for domestic priorities. The Coordinator likewise was concerned with the problem of determining whether needs presented by importers in the other American republics were actually essential or not.

Difficulties in working out questions of procedure and responsibility for a time delayed organization in regard to handling Latin American priorities.<sup>25</sup> Discussion in meetings of the Committee on Essential Latin American Requirements during July, however, resulted in the formation of a unit for handling priorities to meet the needs of the other American republics. In succeeding months CIAA effected a merger of its Commercial and Financial Division with the Board of Economic Warfare as discussed elsewhere, and the activities of the agency in regard to priorities became a part of the work of the American Hemisphere Division of BEW. Representatives of this Division served with both Clearance and Licensing Divisions of Export Control in order to care for the minimum essential needs of the other

American republics.<sup>26</sup> When the merger between CIAA and BEW was dissolved in the spring of 1942, the latter agency took over those functions connected with export priorities and clearance. In succeeding months, however, the small Commercial and Financial Division which was maintained by CIAA acted informally to channel requests sent to it in this field to the proper authorities.<sup>27</sup>

One of the most important operations in the economic field, initiated by CIAA and then transferred to the State Department for continued operation, arose from the fact that in 1941 many United States business firms were still actually being represented in the other American republics by pro-Axis individuals or companies. As early as the first meeting of the Executive Committee on August 30, it was noted that the Coordinator would send south a special confidential mission, on which the Department of State and possibly the Federal Bureau of Investigation would also be represented, to evaluate firms handling United States accounts. After an investigation, starting in the fall and lasting 3 months, the Coordinator in a press release of January 8, 1941, announced that examination of the country-by-country reports made by the mission disclosed the following conditions:

1. That United States business is frequently represented in Central and South America by firms and individuals now known to support objectives contrary to the best interests of the American Republics.
2. That these representatives often use advertising appropriations of United States business firms to force newspapers, and in some instances radio stations, to adopt anti-American editorial policies.
3. That many employees of United States companies or their affiliates in Central and South America are known members of local anti-American organizations.
4. That many anti-American firms, which formerly sold only European products, have now succeeded in obtaining agencies for United States business. These new connections are keeping them alive, and enabling them to maintain their trade contacts. In many instances, they openly declare they will return to their former lines at the expiration of the war.
5. That many of these agents who now represent United States firms are obtaining through this medium confiden-

<sup>24</sup> Assistant Secretary of State Dean Acheson to Nelson A. Rockefeller, May 12, 1941, as quoted in a report of the Coordinator to the Committee on Essential Latin American Requirements, May 20, 1941.

<sup>25</sup> Kelso Peck to Joseph Rovensky, June 30, 1941, noted that nearly three months had elapsed since the President's letter of April 5 without the development of a Priority Service agency. He felt that it was probably a mistake to have taken the matter to the Department of State before a completed plan had been drawn up with OPM for presentation.

<sup>26</sup> Francis T. Cole to Homer Davis, January 29, 1942. It was noted that 3 different classes of approvals were in use: "Most Favorable Priority Rating Recommended" when it was felt the request for priority covered the most essential needs of the other American republics; "Preferred Priority Rating Recommended" when the priority request covered such items as public utilities and vital industries; and "Recommended Priority Rating Equivalent to Domestic Order of the Same Type" was used to cover minimum requirements of the other American republics, based upon their previous imports.

<sup>27</sup> A "Summary of Weekly Activities" for the week ending June 25, 1942, noted some fifteen requests for aid in regard to export licenses referred to BEW and in addition to correspondence replying to requests for information.

tial trade information which is made available to anti-American powers.

6. That profits thus derived from representation of United States firms are being used to finance operations of propaganda agencies in Central and South America.
7. That many of the firms representing United States companies also serve as centers for distribution of anti-American literature and propaganda.
8. Many of the larger anti-American firms have established their own purchasing agents in the United States and with the goods obtained in this market remain in business.
9. Officers and employees of a number of firms, representing United States businesses, are officials of anti-American powers.<sup>28</sup>

The data gathered were relayed in January to specific American exporting firms which appeared to be represented in the other American republics by unsatisfactory agents, so that they might replace them with individuals friendly to hemisphere solidarity. The Department of Commerce furnished information to aid in the acquisition of satisfactory replacements. During the first half of 1941 United States exporters dropped more than a thousand undesirable agency accounts in the other American republics. United States concerns were also asked to investigate employees in their Latin American branch Offices and to see that advertising allowances were not being used by agents to promote Axis propaganda. After a few months, it was decided to broaden the program to include the examination of all consignees, not agents alone, and then to examine imports and ask United States importers not to deal with undesirable purchasing agents in the other American republics. Some 1,700 firms were contacted in this program.

Meanwhile, other United States Government agencies took part in the attempt to eliminate transactions with persons of anti-democratic views. The Administrator of Export Control of the Board of Economic Warfare began to build a confidential list of consignees for whom export control licenses would not be granted. The Foreign Funds Control Division of the Treasury Department undertook to deny licenses for trading and financial transactions to certain individuals. By June 1941, it became apparent that the various control measures must be coordinated and an agreement must be reached as to which persons were considered unsatisfactory from the United

States point of view. The several agencies cooperated in drawing up a list of such persons and this was released to the public by President Roosevelt on July 17, 1941 under the title "The Proclaimed List of Certain Blocked Nationals." Very shortly after this the Special Division of the Coordinator's Office which had been representing CIAA in the investigation was transferred to the Department of State, where it became the Division of World Trade Intelligence.<sup>29</sup> The Coordinator continued to be represented upon the interdepartmental committee established to administer the maintenance of the list.

From the beginning of the existence of the agency the Commercial and Financial Division had as one of its chief duties the preparation of reports and studies of all types in the economic field. These were intended both for use of members of the agency itself, and in carrying out the function of stimulating and coordinating the activities of other interested government agencies. Studies of strategic commodity reports on the production and potential resources of the other American republics, with special emphasis on strategic and critical materials, were early started, and in addition the Division planned broad-scale country studies designed to serve as blueprints for potential inter-American cooperation.<sup>30</sup> In some cases such studies were carried out jointly with other groups. Among reports listed in a memorandum on activities of the Division prior to January 1, 1942, these country studies were designed to cover such items as a detailed account of European and United States investments, amounts of strategic and critical materials available, areas of possible developmental activity, the progress of the Pan American Highway, conditions of public health and the standard of living and possibility of improvement along these lines, the status of national, provincial, and municipal external debts and the banking situation, immigration policies, and the effects of the war and adjustments being made.

<sup>28</sup> A letter of Nelson A. Rockefeller to Sumner Welles, July 24, 1941, acknowledged letters received by him on July 19 concerning the establishment of the new Division in the Department of State and agreeing to the transfer. Funds transferred from CIAA to the Department at this time amount to \$40,000 (Nelson A. Rockefeller to Breckinridge Long, August 25, 1941). Personnel shifted numbered 25 persons, according to a memorandum dated April 13, 1944, listing CIAA activities transferred to other government agencies. Mr. John Dickey, head of the Division, was detailed to head the Division of World Trade Intelligence in the State Department, but was retained on the CIAA payroll for some years yet to come as a Special Assistant to the Coordinator.

<sup>30</sup> A memorandum of late 1941 indicated that both confidential and non-confidential reports had been prepared on 35 different Latin American commodities by the economic branch of CIAA.

<sup>28</sup> Press release No. 13, January 8, 1941. The mission was headed by Percy L. Douglas on leave-of-absence from the Otis Elevator Company, International Division, representing CIAA, and included John E. Lockwood of the same agency and George H. Butler of the State Department, as well as a group of technical assistants. Eighteen of the twenty other American republics were visited. Another press release of February 19 repeated in more condensed form the same information as the first.

Other studies made by the Division included one on defaulted dollar debts of the other American republics, with reference to capacity to pay and to relationship with other elements in the economic picture of each country, including alternative methods of effecting possible debt settlement. An analysis of the proposed Inter-American Bank was also made with reference to relationship with other governmental mechanics for inter-American cooperation and to existing financial agencies, and conferences were held on the matter with private bank officials and with the Bankers Association for Foreign Trade.<sup>31</sup>

One of the most pretentious surveys inaugurated in the earlier period under the sponsorship of the Commercial and Financial Division, prior to its merger with BEW, started in September 1941, when it undertook in conjunction with BEW a plan looking toward development of sources and supplies of strategic and critical materials in the other American republics. The problem was originally brought up by Vice President Henry A. Wallace in a letter to Mr. Milo Perkins, Executive Director of the Economic Defense Board, dated September 24, 1941.<sup>32</sup> In this letter the Vice President referred to the matter of balanced production of critically needed raw materials and held that it was of the utmost urgency that a new action program designed to reach this objective at a faster rate than planned in the past was necessary. In a letter of the following day Mr. Wallace requested the full cooperation of the Coordinator in connection with the assignment which he had just given to the Board.

After consultation between the two agencies the plan was incorporated in a project authorized by CIAA on October 16, and entitled "Agricultural and Mineral Technical Advisory Service." The primary purpose of this project, as expressed in the project authorization, was to provide technical assistants to the governmental agricultural and mining agencies of the other American republics: (1) to assist those agencies in present operations and advise them of possible improvement; (2) to report upon the agricultural and mineral resources of the other American republics with special reference to increasing production of raw materials; and (3) to collaborate with the Inter-American Development Commission in its projects to develop production of items for which

there was a possible market in the United States or the other American republics. The project was approved by Mr. Wallace as Chairman of the Economic Defense Board on November 3, 1941, and was likewise approved by the Bureau of Mines of the United States Department of Interior as to the mining phase, and by the Office of Foreign Agricultural Relations of the Department of Agriculture in regard to agricultural activities planned.

With the coming of war in December 1941, it was considered desirable to intensify development of mineral and agricultural resources in the hemisphere, and accordingly the project was amended somewhat to provide that the primary objective was "to secure increased supplies now of strategic and critical materials coming from the other American republics to the United States. It is planned to obtain the services of thirty (30) agricultural technical assistants and forty (40) mineral technical assistants." These technicians were to perform field work essential to the execution of the program of Board of Economic Warfare (as it was now entitled) to increase the production of agricultural and mineral commodities needed for wartime industrial use. Customary liaison with State Department missions was to be maintained, and these technicians were to be made available in the other American republics in accordance with requests received and with the full cooperation of the countries concerned.

Under the agricultural portion of the program by April 1942, 20 technicians had been employed.<sup>33</sup> Seventeen of these technicians were rubber specialists, while the three others were specialists in cinchona, vegetable oils, and fibers. All of the technicians but one were at this time in South America. Fourteen mining technicians had been employed by this date, with seven assigned to Brazil, three to Peru, and four still awaiting assignment at that time.

Some questions were raised by the Department of State in connection with the dispatch of the agricultural experts to the other American republics by CIAA. Apparently the Department felt that these experts had been without approval of the Department of State and without notification of United States diplomatic missions in the respective republics of their governments.<sup>34</sup> In addi-

<sup>31</sup> Nelson A. Rockefeller to Adolf A. Berle, January 13, 1941.

<sup>32</sup> As quoted in a letter of Nelson A. Rockefeller to Harold E. Smith, April 8, 1942.

<sup>33</sup> *Ibid.* This letter was written by the Coordinator to Director of the Budget because questions had been raised as to possible duplication of activities, with the Coordinator indicating that he was willing to have men transferred to another agency if this were recommended.

<sup>34</sup> Laurence Duggan to Nelson A. Rockefeller, February 19, 1942.

tion, the Department felt that clarification should be made of the relationship between the project under which rubber specialists were sent and other activities in the field on the part of the United States Government. It was requested that the experts provide the missions with copies of regular reports, and cautioned that confidential information supplied by them should be carefully handled to protect its security. The Coordinator in reply<sup>35</sup> noted that the rubber experts sent to Brazil had been mentioned by State Department officials in earlier correspondence, to indicate that information had been given to the Department, and that they had been sent in good faith to carry out what was thought to be an endorsed program.<sup>36</sup> The Coordinator stated that the work of the agricultural experts was not conflicting with any other activities of the United States, and that the specialists would render all possible assistance to the Rubber Reserve Corporation. He also promised that the specialists would be directed to act under the instructions of, and to report to, the chief of the local United States diplomatic mission in all cases; likewise they were instructed to take due care in regard to confidential materials.

In December 1941, in connection with the merger between CIAA and BEW, the Agricultural and Mineral Divisions were assigned to the American Hemisphere Division of BEW, and when dissolution of the cooperative arrangement between the two agencies was ended in April the field operations already started remained under the direction of BEW.

During the latter part of 1941 the Agricultural Division of CIAA also developed a project to send out a group of experts to make a comprehensive survey study of the Amazon Basin as a basis for carrying out specific projects with the cooperation of the Brazilian Government. This mission was to include experts in agriculture, tropical settlement, tropical diseases, transportation, nutrition, labor, and economics, and the project was designed primarily to round out the projects already under way in connection with the procurement of strategic materials, and was not necessarily to be concerned with rubber activities. In the spring of 1942 the Institute of Inter-American Affairs was created to carry out the Health and Sanitation program, and it took over most of the work planned in the Amazon Valley project.

<sup>35</sup> Nelson A. Rockefeller to Laurence Duggan, March 11, 1942.

<sup>36</sup> Apparently some mix-up in instructions was responsible for the misunderstanding, rather than a fundamental conflict in authority.

In order to determine whether fishery resources in the Caribbean area were sufficient to warrant a more intensive commercial survey, the Commercial and Financial Division of CIAA in the latter part of 1941 planned and developed a preliminary factual survey of the Caribbean area to study all phases of fish production, processing, and marketing, and their relationship to the economy of the region. This project had a two-fold purpose: (1) from a defense standpoint, to stimulate a food supply for new military bases in the region and the personnel of the Panama Canal, and (2) to improve economic conditions in the area by possibly providing new employment.<sup>37</sup>

The dissolution of the merger between CIAA and BEW in the economic field marked a great reduction in the operations of the Commercial and Financial Division of the former Office,<sup>38</sup> not only most of its functions, but a large part of its personnel, were transferred to BEW at this time. The functions remaining to this Department as described in presentation of budget material and otherwise indicated that its work was to be particularly concerned with cooperation with private industry and aid in solving the latter's problems by insuring cooperation between it and other government agencies.<sup>39</sup> In addition, the Commercial and Financial Department worked in closest cooperation with the Inter-American Development Commission. It also at this time took part in handling the inter-American training program in the economic field; the Commercial and Financial Division of CIAA, as was the case with several other operating units, was greatly interested in the highly significant field of training Latin American technicians.<sup>40</sup>

As in previous years, this Department of the Office continued its function of keeping the Coordinator up-to-date on developments of the hemisphere in the economic field which might affect other operations of the Office. With the establishment in the spring of 1944 of a Department of Economic Development, research functions in the economic field (always of great significance to the agency) were centered in an Economic Analysis Section of a Research Division.

<sup>37</sup> Results of the Caribbean fishery surveys carried out in cooperation between CIAA and the Fish and Wild Life Bureau of the Department of Interior were published in the summer of 1943.

<sup>38</sup> See chapter 17.

<sup>39</sup> See *Hearings, H.R., First Supplement Appropriation Bill for 1943*, pp. 592-4 and *Hearings, H.R., 1944, Pt. 1*, pp. 298-310.

<sup>40</sup> This activity, held by some to be one of the operations of the agency which in the long run will be one of the more fruitful in regard to hemisphere development, will be discussed in a later chapter together with other training programs.



This unit performed duties earlier handled in the Commercial and Financial Division, as well as those required for the plans which the agency was making for hemisphere development at this time. It produced a "Weekly Economic Bulletin" from June 1943 to October 1945, for use not only in CIAA but by other interested government agencies. It likewise prepared all types of special studies when requested and supplied information in the commercial, economic, and financial fields to meet requests constantly handled by the agency. Associated with it in the Research Division (which replaced an earlier "Resources Division" set up in early 1943) were a Social and Geographic Section, which carried out studies connected with matters indicated in its title, and a Political Analysis Section.<sup>41</sup>

Some larger projects were occasionally started under the Commercial and Financial Division after the dissolution of the BEW merger, and probably the most important of these was the campaign for the maintenance of advertising expenditures in the other American republics by United States firms. In the spring of 1942 CIAA became concerned over the great decline in advertising by United States firms through radio stations and newspapers in Latin America. Starting with the beginning of the war, this had reached a point which seriously threatened the existence of these channels of public opinion because of the loss of a vital source of income; it was estimated that publishers and radio station operators had been depending upon the advertising of United States firms for as much as 40 percent of their total income. About 75 percent of this amount had been received indirectly through the offices of local branches or local distributors of United States companies, and this type of advertising had already shown a very sharp decline. The other 25 percent of the advertising had been placed from the United States, either directly or through export advertising; this had not yet declined to a great extent, but by 1942 there were indications that it would be falling off before long unless something were done to help maintain the volume. Justification for cancellation of the advertising of United States firms in the other American republics had been based partly on the inability to

<sup>41</sup> These sections had been in existence as part of the Resources Division, and the function of political analysis and reporting had been present from the early days of the agency and will be discussed elsewhere. In the last year of the existence of the Office these sections were simply called the "Economic" and "Political" Sections; the latter was transferred to the Interim Information Service in August 1945, and eventually discontinued.

secure shipping accommodations or permits for shipments of merchandise to these markets, and because such products as automobiles, tires, refrigerators, and other durable goods (which represented about 75 percent of the products advertised) were no longer available in any quantity for sale. Firms were starting to save money on their advertising budgets under the excuse that none was needed since they were unable to fill present consumer orders for merchandise.<sup>42</sup>

The Coordinator thereupon launched a program to induce the firms concerned to maintain their advertising at the usual volume. Advantages presented to the advertisers which would justify such continuance were based upon both business and patriotic reasons. In the first place, it was pointed out that cancellation of advertising would cause loss of the good-will which had been built up over many years, and when trade could be resumed, United States concerns would be under a disadvantage compared to other foreign competitors. At the same time it was pointed out that most of the newspapers and radio stations in the other American republics had been friendly to the United States and had refused considerable advertising and revenue from Axis sources. They had likewise discontinued acceptance of free news, photographs, and other material furnished by the Axis, and instead had subscribed to the more expensive services of the United States news associations. Therefore, it was of great importance to national defense that these media should not be allowed to succumb. Likewise, in their advertising programs, the Coordinator urged the manufacturers to explain the reasons for shortages of United States products, and to appeal to the people of the other American republics to share in the sacrifices which were being made to win the war; advertising also could serve to indicate methods for the conservation of existing supplies.<sup>43</sup> The Coordinator indicated his willingness to aid where possible and noted that CIAA was active in supplying press and radio stations in the other Americas with suitable editorial matter, news releases, photographs, equipment, radio shows, scripts, and programs of every nature, with the

<sup>42</sup> Memorandum of Harold N. Elterich to Don Francisco, May 8, 1942.

<sup>43</sup> Taken from a sample advertising letter prepared in May 1942, for distribution to Various United States advertisers. It was planned at the time to vary the letter to apply appropriately to certain specific industries such as motion picture producers and distributors, new industries such as aircraft and plastics, banks, steamship lines, oil companies, and even manufacturers not previously advertising but selling their merchandise in the markets of the American republics.

purpose of gaining success for the United States in the war effort.

The program in regard to advertising launched by the Coordinator's Office was to be continued throughout the rest of the war, with a unit preserved to keep in contact with the situation and to answer inquiries and requests for information. During the first year of the war expenditures on advertising had dropped to as low as about \$4,000,000. In the following year \$8,000,000 were spent, and by June 1943 the Coordinator could point out that some \$13,500,000 had been devoted to advertising by United States firms, and that he expected this amount would be increased to at least \$16,000,000 in the current year.<sup>44</sup> In 1945, trade sources reported a volume of over \$20,000,000.

Another project which might be noted as introduced by the Commercial and Financial Department in the summer of 1942 was the establishment of a joint secretariat in the United States to review materials prepared by the Office of Price Administration, and transmit to the other American republics that data which might be applicable there. The body was also to carry out studies and give advice to the other American republics in regard to establishing price control and rationing machinery to meet their own needs. Missions were to be sent when requested by the other governments, with CIAA serving to supply funds for their traveling expenses.<sup>45</sup> In addition, representatives of the other American republics who wished to visit this country to study rationing and price controls were to be assisted in their work through arrangement of training courses or through the supplying of requested information.<sup>46</sup>

Beyond the functions just indicated, which were largely advisory in character and required only a small staff, the Coordinator was interested during the next year in a substantial food supply program and in operations in the field of railway transportation and shipping, both of which will be discussed in the following chapter. By the summer of 1943, however, there was apparently a desire to

reenter the field of economic development of the other American republics on a broader scale.<sup>47</sup> In August the Coordinator and the Under Secretary of Commerce, Wayne C. Taylor, met with Mr. Emilio C. Collado, representative of the Department of State, to discuss allocation of responsibilities. A memorandum had already been submitted by the Coordinator to the State Department outlining possible procedures. It was indicated that Under Secretary of State Welles had questioned the function of CIAA in integrating and coordinating such programs as might be decided upon jointly by the interested agencies; Mr. Rockefeller made it clear, however, that he was not much concerned with details of wording, but very much concerned that the Department should either clearly acknowledge the place of the Coordinator in this area of operation, or that a decision should be made that the Coordinator's Office should have nothing to do with the economic programs and policies of the United States Government as affecting the other American republics. The State Department indicated that it felt that CIAA should participate "within the framework of policies set by the Department" and that an agreement could be reached for establishment of a liaison group representing the three agencies for the allocation of responsibilities.<sup>48</sup> The essential understanding presented in memoranda worked out between the several agencies at this time started with the assumption that the Department of State would centralize under one person or division the coordination of all activities within it bearing on inter-American economic problems, and that all necessary clearances pertaining to work in the inter-American developmental field would be obtained through this individual or division. It was recognized that the major policy responsibility for inter-American economic development rested with the Department of State, with the De-

<sup>47</sup> The importance which leaders in the agency placed upon economic development is indicated by a letter of Major General George C. Dunham (an Assistant Coordinator in charge of the health and sanitation program) to Mr. Rockefeller on January 4, 1943:

"As you know, I am of the opinion that in the final analysis political stability and overall security of the Latin American republics will depend upon economic development of those countries and the establishment of strong and enduring economic relations between them and the United States. All of our work should be directed towards the development of economic unity on a hemispheric scale and economic interdependence between the United States and the Latin American republics, and between the Latin American republics themselves. The current operational activities of the CIAA such as information, education, public health, etc., should be regarded as means to an end, and that end is economic development of the countries concerned."

<sup>48</sup> Memorandum on meeting of a Committee on Inter-American Economic Development, August 16, 1943. Subsequent meetings were held on the following three days.

<sup>44</sup> *Hearings, H.R., 1944*, pt. 1, pp. 303-4. The estimated need for the 1944 fiscal year, on this activity was set at \$100,000 and the Coordinator noted that constant contact was maintained with some 1600 firms in the United States. See also Corrie Cloyes, "United States Manufacturers 'Up' Export Advertising," in *Foreign Commerce Weekly*, January 9, 1943; William A. Anderson, "The Rising Tide of United States Advertising in Latin America," in *Export Trade and Shipper*, January 31, 1944.

<sup>45</sup> In 1945 Mr. Leon Henderson went to Central America for this purpose.

<sup>46</sup> Project No. CF-1394 approved 8/27/42. It was noted at this time that the project had been informally approved by the Dept. of State and that approval by the Inter-American Economic & Financial Commission would be requested at its next meeting.

partment of Commerce, the Department of Agriculture, and the Export-Import Bank acting in their respective fields. CIAA, which was created as a war emergency agency, had the flexibility of administration, the funds, and the operating experience throughout the hemisphere which placed it in an unusually favorable position to be of assistance to the several agencies concerned with work in this developmental field. In addition, the Coordinator's staff could be helpful because of its contacts with private groups and private industry and through its association with the Inter-American Development Commission, of which the Coordinator was Chairman. It was felt that the work of the Inter-American Development Commission could be continued on a permanent basis after the war, provided the necessary financing could be found. On the other hand, the work of CIAA in the fields of transportation, health and sanitation, and industrial and agricultural development would be turned over to appropriate permanent agencies after the war.<sup>49</sup> An attached memorandum listed the types of activity which CIAA had undertaken in the general area, under the following categories: health and sanitation, agricultural development (food supply), surveys of mineral and forestal resources, and various transportation activities. It also indicated that the role of CIAA in the proposed industrial development be largely that of interesting private capital in the hemisphere in the development of public utilities, acting as a catalyst to bring together necessary elements for the development of heavy industry, the supplying of technical assistants in connection with manufacturing and processing enterprises, and the furnishing of technical advice in regard to the training of nationals of the other American republics in various professions and trades. It would utilize the Inter-American Development Commission in carrying out these processes. In the development of inter-American trade and commerce, CIAA's function would be to bring together private banking and insurance facilities in regard to certain financial projects, to give aid in the working out of satisfactory adjustments of defaulted debts, to supply advice in working out price control and rationing mechanisms, and possibly to carry out studies and make recommendations in the field of tourism. The understanding indicated above was acceptable

<sup>49</sup> Memorandum on Department of State and CIAA relations in connection with the inter-American economic development program, September, 1943.

to the Department of State and an informal liaison group already formed under direction of the several agencies in this field was directed to continue its work.<sup>50</sup>

The potential field for economic development under consideration in the summer of 1943 was Mexico. By the spring of that year Mexican industry had begun to feel the effects of emphasis upon the production of strategic materials necessary for the conduct of the war, and shortages of machinery, repair parts, and materials caused by the conversion of United States industry to production of war materials. As a result, considerable dislocation of the Mexican economy had occurred and at a meeting between President Avila Camacho and President Roosevelt in Monterrey in April 1943, one of the principal subjects discussed was the formulation of a program of economic collaboration between the two governments in order that both the immediate situation might be improved and a long-range program developed. A Mexican-American Commission for Economic Cooperation was set up, comprising two members representing each country; one of the American members was Under Secretary of Commerce Wayne C. Taylor. The first meeting of the original Commission was held in May 1943 in Washington. It completed its work in July of the same year with its report released for publication on July 17, 1943.<sup>51</sup> In that report the first Commission advocated the formulation of a second or industrial commission to carry forward the program. In the August meetings mentioned above, it was decided that the United States members of the second Commission should be Under Secretary of Commerce Wayne C. Taylor, Nelson A. Rockefeller, and Mr. Thomas Lockett, Economic Counsellor of the United States Embassy in Mexico City.

The new Industrial Commission held its first meeting toward the end of September, and at the time a resolution was adopted recommending that the scope of the Commission be enlarged so that it might serve as a continuation of the original Mexican-American Commission for Economic Cooperation, taking over the same title. This second Commission was approved by the two governments and thus continued its work with broad powers to study and make recommendations for the economic development of Mexico. As the program developed, various bodies in Mexico

<sup>50</sup> See chapter 00.

<sup>51</sup> A Department of State press release of July 17, 1943, included the report of the first Commission.

were requested to present projects considered of major importance for the economic development of the country and after study, these projects were filed with the Mexican Section of the Commission. Projects presented comprised not only public works (especially electric power and irrigation) but also new manufacturing industries and plant expansions by private groups. This plan was developed under the idea that the Mexican Section of the Commission would be best informed as to the type of projects desired, while the United States Section was particularly concerned with examining the projects in the light of needs of machinery and equipment and in securing licenses and priorities where it was decided these projects were of immediate importance.

In working out the program, the Commission determined that the economic development of Mexico along sound lines, but without interfering with the essential needs of other friendly countries or with the war effort, was of definite importance. Early in 1944 it prepared "A Minimum 1944 Program" which included some twenty projects which were considered as the minimum essentially needed; the cost estimated was slightly over \$24,000,000, with possibly \$12,000,000 worth of equipment and materials required from the United States. By the end of the year arrangements had been made to make these materials available as soon as permitted under the war effort.

The Commission also appointed in April 1944, a Joint Subcommittee on Industrial Development which submitted to the Commission in June a comprehensive report on Mexico's long-range needs in the power and irrigation fields and information on needs in other phases of economic development. As a result of these studies, it was estimated that Mexico would need to spend a total of nearly \$383,000,000 on developmental projects in the few years after the war, with somewhat over \$137,000,000 worth of materials to be purchased from abroad. Some 59 total projects were planned and approved by the Committee for development when the machinery and equipment was available. Purchase of such equipment was to be carried out by private enterprise predominantly Mexican, or in the case of public utilities, by the Mexican Government.

By the end of 1944 the Mexican-American Commission for Economic Cooperation had carried out most of the functions possible at that time. Beyond working out plans for future developments, the Commission had not been able to do more than

make recommendations for priority ratings on equipment, and the production situation in the United States (coupled with the fact that other American republics likewise needed equipment and it would be impossible to discriminate in favor of Mexico) meant that further industrial development on an immediate basis was not possible. The particular interest of Mexico was in regard to the procurement of machinery and materials, and it was felt that further planning could be done privately. As a result, it was decided to conclude the work of the Commission, and this was done early in 1945.<sup>52</sup>

The failure of the Mexican-American Commission to accomplish more in the field of economic development, because of difficulties mentioned above in regard to securing materials under war conditions, and also because of questions of jurisdiction and responsibility for the Commission,<sup>53</sup> marked the end of the efforts to operate actively in this field. At one time CIAA had hoped that the Mexican-American Commission would form a pattern for similar commissions in other American nations, particularly Brazil, but the failure to grant it authority made this impossible, and it was left to private enterprise to carry on the effort in the post-war period.

Usually associated with that area of CIAA which was concerned with commercial, economic, and financial affairs was the Inter-American Development Commission. This Commission was created by the Inter-American Economic and Financial Advisory Committee (representing all 21 American republics) on January 15, 1940. It was composed of a permanent body of five members with the responsibility "to promote and facilitate the fuller realization of the economic potentialities of the American republics." It was formally organized in June 1940, and when the Office of the Coordinator was created, Mr. Rockefeller was made its Chairman.<sup>54</sup>

The Inter-American Development Commission was created as a permanent body to make technical studies, compile basic information, establish contact between parties interested in develop-

<sup>52</sup> A short report on the Commission is in the CIAA "Weekly Report of Activities", February 7, 1945.

<sup>53</sup> A letter of Nelson A. Rockefeller to Under Secretary of State Stettinius, December 17, 1943, noted the loss of time due to this latter factor, and other correspondence and minutes of meetings indicate that the Commission was never able to go ahead because authority was not forthcoming from Washington.

<sup>54</sup> The Vice Chairman (and later Chairman) was Mr. J. Rafael Ore-muno, former Minister of Costa Rica in Washington. The Executive Secretary for some time was Mr. John C. McClintock, who was at the time Executive Director of CIAA.

mental activity, and aid such development by enlisting all facilities possible on the part of governments concerned. Its areas of action as enumerated in the original resolution were (1) the exploration and exploitation of mineral resources, (2) the cultivation and marketing of agricultural and forest products, and (3) the establishment and development of industrial plants. The Commission itself was not a financing agency, but was to undertake with mixed United States and Latin American capital the promotion and financing of such enterprises as would aid in the development of new lines of Latin American production for which markets could be found in the hemisphere. Wherever possible, private finances as well as government funds were sought.

In November 1940 the Commission designated 2 members to go to South America for the purpose of establishing national commissions in the other American republics and between December 1940 and May 1941 national commissions were established in 10 of the other American republics, and by December, 1941, in the remainder. An Inter-American Development Commission for the United States was not created until January 21, 1943.

No attempt will be made to list in detail the work of either the parent Inter-American Development Commission or the country commissions. It

is sufficient to say here that it was financed regularly by grants-in-aid from CIAA, although after September 1942 its operations were conducted by a separate staff employed directly by the Commission.<sup>55</sup> It served to aid CIAA in carrying out certain studies and operations, and in advising on various industrial projects in several of the republics.<sup>56</sup> In May 1944 the first conference of Commissions of Inter-American Development was held in New York City under the auspices of the parent organization. At this session a number of resolutions were passed<sup>57</sup> looking toward the future development of the countries of the hemisphere and the agency was looked upon as one of the best possibilities to be utilized for the preparation and execution of long term programs which it had been set up to accomplish, but which had been interrupted by the exigencies of the war.

Discussion of that field of economic development represented by transportation will be covered in the next chapter.

<sup>55</sup> Memorandum to all members of the staff by J. C. Rovensky, September 10, 1942. This arrangement for supplying of funds had been considered desirable during the war period, so that the Commission might immediately enter into its functions without going through the very long procedure that would have been required to obtain necessary contributions from the twenty-one governments which backed it.

<sup>56</sup> Occasionally studies carried out by CIAA were published under the auspices of IADC, as in the case of the pamphlet *Latin America as a Market for Machinery and Equipment*, Washington, 1945.

<sup>57</sup> See *Proceedings of the Conference of the Commissions of Inter-American Development, New York, May 9 to 18, 1944*, Washington, D. C., 1944.

## TRANSPORTATION

As a part of its overall program in the economic field, CIAA from the start was interested in transportation of all types. Activities were at first handled by units in the Commercial and Financial Division, with a regular Transportation Division in existence by the summer of 1942.<sup>1</sup> This unit, "because of the increasing importance of cooperating with the various republics in meeting difficulties" in keeping their transportation systems in operation, was made a department<sup>2</sup> in 1944 and in 1945 the Department of Economic Development was merged with the Department of Transportation.<sup>3</sup> For convenience in discussion in the present chapter the activities of the agency in regard to transportation have been divided into the several fields of aviation, ocean shipping, railways, and what later came to be called "overland transportation" and which covered inland waterways and highways.

Even before the agency was actually formed, Mr. Forrestal, Mr. Rockefeller and other members of the group in the White House working on inter-American affairs (later to become CIAA) were confronted with aviation problems. Mr. James V. Forrestal in a letter to Federal Loan Administrator Jesse Jones in July noted that a responsible New York group, including Mr. James P. Warburg, William Barclay Harding, and Franklin Field, were putting up from \$10,000 to \$15,000 for organization of the initial flight of what was then called "The South American Escadrille" under the "leadership of a Chilean aviator named de los

Rios, who became an American citizen in the early twenties." The plan under consideration called ultimately for a carefully selected group of American student fliers to go to South American countries for training, with a similar group of South Americans coming to the United States for the same purpose. At this time it was estimated that this could be done at a cost of probably under \$250,000.<sup>4</sup> In September, the Executive Committee of CIAA was informed by the Coordinator that the "Lafayette Escadrille," an organization started 5 years earlier, was anxious to establish aviation clubs in 24 South and Central American cities. It was planned to obtain a small training plane for each club with an American pilot as instructor. The Escadrille desired that the United States should supply the plane and pilot but planned that all subsequent costs of operation would be paid for locally. It was estimated by the Coordinator that it would cost the United States Government about \$140,000 to start the program. At this time the leaders of the Escadrille were planning a good will flight around Latin America to examine the situation in each locality and the Coordinator had committed the agency to pay part of the costs of this flight.<sup>5</sup> In the following few weeks the plan of the Escadrille received further discussion,<sup>6</sup> and in October a meeting was held at which representatives of the Departments of State and Commerce, the Civil Aeronautics Board, and the Escadrille, as well as men representing the aviation

<sup>1</sup> In a chart of the Office dated September 1, 1942, the Transportation Division and the Inter-American Navigation Corporation are indicated as under the direction of the Assistant Coordinator in charge of Administration (Mr. Percy L. Douglas). The Ocean Shipping Division, however, was a part of the Commercial and Financial Department.

<sup>2</sup> Nelson A. Rockefeller to all employees, August 24, 1944. Major General Julian L. Schley, who has headed the Division for some time, was appointed an Assistant Coordinator.

<sup>3</sup> The Aeronautical, Maritime, and Advertising Divisions of the Department were abolished effective March 31, 1946, about 2 months before the Office of Inter-American Affairs itself was terminated.

<sup>4</sup> James V. Forrestal to Jesse Jones, July 25, 1940. The de los Rios mentioned was Alfredo de los Rios, a Chilean aviator and at the time South American Editor of *La Prensa* of New York. The Escadrille had been incorporated in 1937.

<sup>5</sup> Minutes of Executive Committee, September 12, 1940.

<sup>6</sup> *Ibid.*, October 8, 1940. The meeting was held October 25. In the conference it was recognized that an inter-departmental committee meeting in 1939 had suggested as an important item the training of civilian pilots in the hemisphere. The War and Navy Departments now pointed out that the world situation, and demands in connection with national defense, would make it necessary to move slowly in pushing the program at this time.

industry, were present to work out an agreement if possible on a single plan for pilot training Latin America.

The plan for a good-will flight of the Inter-American Escadrille, as it was now called, progressed in the next few months and by the first of January the Executive Committee was informed that the "civil air mission" would leave around February 1 to survey means of coordinating civil aviation facilities of South America with the program of the United States. The Committee at this time authorized the expenditure of \$26,500 for the flight.<sup>7</sup> By February 5, the State Department had received letters from the diplomatic missions in the other American republics which indicated that the proposed flight was favored by all of the more important countries, although those whose meager financial resources made private flying impossible were less interested.<sup>8</sup> Shortly afterward, General Frank R. McCoy consented to be the leader of the Inter-American Escadrille. It left Washington on March 5, 1941; nine persons made up the group, but not all members made the full trip. The good-will flight visited all of the other American republics, although in Haiti and the Dominican Republic no effort was made to discuss its purpose or to carry out any organizational work.<sup>9</sup> Except in the case of these two countries, a "Wing" of the Inter-American Escadrille was formed in each of the American republics, with membership including many leaders in government, aviation, and business in each country. In all places where formed, the Wings had the official approval of the government and the director of civil aeronautics, and in several countries the President of the republic was made honorary president of the local unit. Subsequently a complete radio convention of all wings was held by means of radio hook-up in Mexico City. Each wing was given a model constitution

<sup>7</sup> *Ibid.*, January 10, 1941. Project No. TC-1274 of June 4, 1942 authorized an increase of the original amount granted by CIAA to \$27,528.86.

Another memorandum in agency files indicated that the ultimate expenditure was in the neighborhood of \$29,800.

<sup>8</sup> As reported to the Executive Committee by Mr. W. B. Harding (Minutes, February 5, 1941).

<sup>9</sup> In the Executive Committee Minutes of May 14, 1941, the Coordinator indicated that at the request of Ambassador Braden the mission would not visit Colombia, but the *Report of the Civil Air Mission of the Inter-American Escadrille to the American Republics*, 1941 stated that "the Civil Air Mission of the Inter-American Escadrille left Wash. on May 5, starting with Cuba, the Mission visited each of the American Republics, proceeding across the Caribbean, down the east coast, across the continent from Buenos Aires to Santiago, up the west coast through Central America and home." Organization of the wing in Bolivia was carried out by President Franklin Field of the United States unit, who was in Bolivia on another mission.

and by-laws and instructed in two immediate objectives: one, to work locally for the elimination of the many diplomatic difficulties that hampered civilian flying between countries, and secondly, to work with their government and private interests to promote the building of intermediate airports to lessen risks of flying in the hemisphere.<sup>10</sup>

Shortly after the return of the flight from the other American republics, the Inter-American Escadrille made plans for fairly extensive operations. The project as first drawn up by CIAA included plans for a youth education program, maintenance of the New York office of the organization, and an expenditure of nearly \$200,000 for training planes. By the latter part of 1941 the Coordinator had drawn up contracts to complete the organizing activities of the United States branch of the Escadrille and to support the program for carrying out educational activities among the young people of the hemisphere in regard to aviation.<sup>11</sup> The plan to acquire some 2,000 training planes for the various wings had to be deferred and then shelved, however, for as the war approached the need for training planes in the United States itself became greater, and it was clear that they would not be available for other nations.<sup>12</sup>

After the war started there was further discussion of the possibility of working out a civilian aviation patrol program under the direction of the Inter-American Escadrille. It was planned to establish this first on an experimental basis in Mexico, and through the first months of 1942 there was much discussion between officials of CIAA and various other governmental departments concerned over the possibility of securing some 300 light training planes for this purpose, not only for Mexico, but also for Cuba. Difficulties arose again, however, but eventually a project was approved by the Coordinator's Office, in August 1942, for a grant to establish two training schools in Mexico under the auspices of the Civil Aeronautics Administration. This project went forward in the next two years under the direction of CAA; contributions on the part of CIAA were discontinued

<sup>10</sup> *Report of the Mission*, p. 4. According to a memorandum in agency files, the total cost of the flight was just under \$30,000.

<sup>11</sup> A letter from Laurence Duggan to John E. Lockwood, November 27, 1941, noted that the State Department had already approved a CIAA project of the expenditure of \$25,600 to aid in organizational activities and an additional amount of \$16,000 for the youth education program.

<sup>12</sup> *Ibid.* It was planned to set up a fund of \$184,000 to purchase the training planes, but the State Department never granted approval. Some difficulty was caused because of over enthusiasm on the part of Escadrille officials in carrying forward their activities before full approval was granted.

at the end of 1943.<sup>13</sup> The Inter-American Escadrille also acted as the agency for bringing to the United States for training Dr. Paulo Sampaio of Brazil, together with his wife, for a year's study of regulations and techniques in regard to civil aviation.<sup>14</sup>

The Coordinator's Office contributed sums for the support of the United States Wing of the Inter-American Escadrille at various periods, the first grant covering up to July 31, 1942.<sup>15</sup> Contributions from private industry were then utilized for its work, but on April 1, 1943, the United States Wing again requested, and was given, financial assistance by CIAA. In September of 1944, direction of the Inter-American Escadrille was taken over by the National Aeronautics Association, with CIAA making a grant-in-aid of \$5,000 for financing the project for the next 6 months. The National Aeronautics Association from this time on assumed full sponsorship of the Escadrille.<sup>16</sup>

The Inter-American Escadrille cannot be considered one of the more successful projects sponsored by CIAA. The plans as first projected could not be carried out because of the coming of war and the resultant need to subordinate civilian aviation to military defense. In 1942 the Escadrille put on various radio programs concerned with the development of civilian aviation, and also carried out the project for furthering the aeronautical education of the youth of the hemisphere through a model plane building program, arranging for the translation of several texts and manuals as well as conducting contests in the construction of model planes.<sup>17</sup> Some branches of the Escadrille in the other American republics continued in existence, at least nominally, and members of the body at times aided the CIAA coordination committees in the selection of aviation students to be sent to the United States under other programs for training as pilots, instructors, mechanics, and engineers.

<sup>13</sup> Project No. TC-1374 approved August 6, 1942. Some \$34,000 was appropriated of which slightly over \$16,600 was spent. A letter of W. A. M. Buren of the Department of Commerce dated December 16 informed CIAA that its funds were no longer needed. The Coordinator also aided in securing 20 planes for this training program.

<sup>14</sup> The agreement was signed December 17, 1941. After his return to Brazil, Dr. Sampaio was made President of Panair do Brasil, subsidiary of Pan American Airways.

<sup>15</sup> The Inter-American Escadrille, Inc., under this grant agreed that it would not publicly represent CIAA or any other United States Government agency as sponsoring it. (Franklin Field to the Coordinator, 12/16/41).

<sup>16</sup> The grant-in-aid was made August 11, 1944. Contributions to the support of the New York offices of the Escadrille were not great, apparently amounting to only a few thousand dollars.

<sup>17</sup> The plans of the body for its work during the war were discussed in an article by John Foster, Jr., "Inter-American Escadrille Assumes War Role" in *Aviation*, June, 1942.

Another aviation matter of interest to CIAA from its beginning was the development of a program for the elimination of Axis control over airlines in the other American republics.<sup>18</sup> The United States had begun to give attention to this as early as 1939 when a series of conferences between interested departments had been held, and some work had been accomplished by the State Department in eliminating Axis control in Colombia. Beyond this, no great progress had been made because of divided authority existing between the several interested agencies and departments and because of a lack of funds needed to replace the Axis interests if the latter were eliminated. By November, 1940, the Coordinator had discussed with General Marshall of the Army staff the problem of Latin American aviation, and the latter was concerned over the activities of Axis companies and in doubt as to the conflicting claims of American commercial lines who desired to replace them.<sup>19</sup> In order to obtain necessary information, the Coordinator then had a survey made of the airways situation in the other American republics as a basis for further action.<sup>20</sup> At this time CIAA was of the opinion that the Civil Aeronautics Board appeared to be the logical body to deal with the problem as a single and efficient unit.

The report was submitted to President Roosevelt in January, 1941, and the latter suggested that Mr. Rockefeller "discuss the matter with Chairman Branch of the Civil Aeronautics Board, Secretary Stimson, and Secretary Hull."<sup>21</sup> This the Coordinator did immediately, pointing out that CIAA investigations had indicated the danger to the hemisphere through the activities of German and Italian airlines in the dissemination of anti-United States propaganda, as an important means of communication between the Axis governments and their agents and sympathizers in South America, through their control of strategic bases

<sup>18</sup> An unsigned memorandum dated June 28, 1940, on possibilities in this regard was found in agency files; this memorandum pointed out the urgency of the matter and that failure to place responsibility in a single agency had resulted in lack of action.

<sup>19</sup> The two United States companies most concerned at the time were Pan American and Pan American-Grace, with these companies being reimbursed through the cumbersome medium of Post Office airmail contracts, a procedure which was not altogether satisfactory.

<sup>20</sup> The study was presented to the Coordinator, December 30, 1940, and Mr. Harding in a letter to Mr. Rockefeller noted that it had been prepared after long consultation with members of the main airlines concerned, as well as officials of the State.

<sup>21</sup> Civil Aeronautics Board and other authorities. Another report on Latin American shipping had been prepared by Mr. Harding and one on inland transportation by Mr. Fred Lavis. A longer and more intensive study (which later became the basis for a published volume) was made by W. A. M. Buren, as noted in a letter from Nelson A. Rockefeller to the President, June 14, 1941, making transmittal.



which would be of value in the event of an Axis invasion of the Americas, and finally, as a medium of training of German military personnel in Latin American terrain. He felt that better machinery should be established for handling the problem than then existed and noted that the President had approved the formation of such a committee, consisting of representatives of the Secretary of State, Secretary of War, Chairman of the Civil Aeronautics Board, and himself.<sup>22</sup> On February 19 he informed the President that a committee had been formed to coordinate the activities of the Government in regard to inter-American shipping, and that one was in process of formation to handle aviation. About the same time, apparently, another committee had been formed on which the Postmaster General, the War, Navy, and State Departments, and Civil Aeronautics Board were represented. When he had been advised of the formation of this committee, Mr. Rockefeller wrote to the Postmaster General and stated that although he understood it was chiefly concerned with the international routes on the North Atlantic rather than with the Latin American area, he believed it was working along similar lines to those he had in mind for the committee which he had proposed, and that he felt that there was no reason for two committees so similar in character to operate. He forwarded information on what CIAA had already done and noted that he would cooperate to the fullest extent.<sup>23</sup> Shortly afterward, CIAA was asked to take part in the deliberations of this committee.

By the end of March 1941, action became necessary in regard to the Axis airline situation because of the danger which developed when Brazil had planned to purchase German planes and equipment, which, until a policy was established, they could not obtain in the United States. The departments concerned took the necessary steps, both to allocate the desired planes to Brazilian airlines and to create an organization to handle the whole problem. In April 1941, the President earmarked \$8,000,000 from his Emergency Fund to eliminate the threat afforded by the Axis-controlled airlines.<sup>24</sup> An American Republics Aviation Division

<sup>22</sup> Nelson A. Rockefeller to the Secretary of State, February 14, 1941 (it may not have been sent until the 18th). Another letter of February 18, 1941, requested that the latter name a representative to the proposed committee, if it met with his approval.

<sup>23</sup> Nelson A. Rockefeller to the Postmaster General, February 28, 1941.

<sup>24</sup> In the minutes of the Executive Committee meeting of May 28 the Bureau of the Budget had appropriated \$8,000,000 from the President's Emergency Fund to deal with the problem of totalitarian aviation in the other American republics.

was set up in the Defense Supplies Corporation (subsidiary to the Reconstruction Finance Corporation) and was made responsible for providing the necessary funds, airplanes, and technicians to insure that essential transportation service in the American republics should not be reduced as a result of the elimination of Axis operations. Technical and financial assistance was made available to all bona fide hemisphere airlines with, in some instances, the replacement program carried out by United States companies while in others it was done by local corporations.<sup>25</sup> Actual replacement of the Axis lines was carried out in several ways; in some cases by nationalization by the local government, in others by less direct methods. Most effective of the indirect methods and one suited for use by the several American governments was through the control of aviation fuel supplies, and eventually by the end of 1941, the dangerous lines were eliminated.

The elimination of Axis airlines brought with it one new problem: there was not sufficient trained personnel in the other American republics to handle adequately the work of national airlines set up to take their place. As a result, the program to train Latin American pilots, mechanics, and engineers to operate the various commercial airlines was initiated by CIAA and carried out by the Civil Aeronautics Administration with funds supplied by the Defense Supplies Corporation.<sup>26</sup> Certain transportation expenses of the Latin American students were provided by CIAA, amounting to \$50,000.

The War Department also undertook the training of a number of student pilots from the other American republics. Some of these students were unable to pass the necessary tests for a pilot rating for various reasons. As an aid in maintaining their usefulness in aviation activities, CIAA arranged for these men to have supplemental training in associated fields. A little later the United States Navy also offered scholarships for 140 Latin American aviation officers for training at Corpus Christi, but was unable to find the funds necessary to cover transportation expenses of these students. The Coordinator was appealed to, and eventually provided \$137,620 for this purpose. While these students were in the United States, the Office

<sup>25</sup> The story of the elimination of the Axis lines is told in full in *The Struggle for Airways in Latin America* by William A. M. Burden, pp. 70-72. This volume was based on the comprehensive study made by him for CIAA in the spring of 1941.

<sup>26</sup> In the first training program, 484 students were brought to the United States, and 125 each under the second and third programs.

financed an additional graduate tour of the important cities on the Eastern Seaboard, thus giving a finish to the course by enabling the students to gain a contact with the United States that it was felt would be of value in furthering Inter-American relationships. In addition to these aviation training programs handled largely by other agencies, the Coordinator supplied funds for training independently a few students in various aviation courses at the request of the State Department.<sup>27</sup> The agency also gave financial assistance to the Office of Air Transport Information (later a part of the Civil Aeronautics Board) at the time of its inception.

The need for a standard set of aviation textbooks in Spanish and Portuguese was also apparent. The Office organized a committee consisting of representatives from the Army, the Navy, and the Civil Aeronautics Administration which eventually recommended a set of books for translation and printing for use in the other American republics, so that standard terminology and methods of instruction could be established there. While the project was delayed for some time, eventually several manuals were translated and printed.

As time passed, CIAA took a less active part in the aviation program since responsibilities had been generally delegated to such agencies as the Civil Aeronautics Administration; by June 1944, an official in the agency handling aviation matters noted that it had no "proper aviation position" in the other American Republics with the exception of Mexico.<sup>28</sup> The agency did, however, maintain representation on a number of committees whose functions touched on the Latin American area.

The Coordinator's Office, as indicated earlier, carried out certain studies during the first months after the Office was established to evaluate various needs in transportation by sea, land, and air. One of the first studies prepared was on Latin American shipping, and was presented to the Coordinator on September 30, 1940, in anticipation of the Inter-American Maritime Conference called for October 2, 1940 by the Inter-Economic and Financial Advisory Committee but subsequently postponed to November 25, 1940.<sup>29</sup>

By this time CIAA had become more and more

<sup>27</sup> Norris Mumper to Percy Douglas, December 30, 1942.

<sup>28</sup> Norris Mumper to Julian L. Schley, June 5, 1944.

<sup>29</sup> Prepared by William Barclay Harding, at the time a special consultant on transportation matters, and entitled "Transportation in Latin America by Sea and Air: Part I, Latin American Shipping."

concerned with the situation in regard to shipping in the hemisphere, inasmuch as the withdrawal of vessels from the inter-American trade for use in shipping supplies to Europe, was causing increasing difficulties to the other American republics. In November, the Coordinator had written to Under-Secretary of the Navy Forrestal pointing out that the national safety of the United States depended in many ways on the continuance of its commerce with the other states of the hemisphere, both to preserve their economic health and to maintain their good-will. He felt that the withdrawal of shipping would have severe economic effect on South America similar to the blockade of the Confederacy during the Civil War. Secretary of the Navy Knox, in replying to Mr. Rockefeller, pointed out that all vessels which the Navy had taken over had been freely offered or surrendered voluntarily, and that in some cases postponements of delivery had been granted to permit commercial use. He also suggested that a solution might be found by using some of the 83 foreign-owned vessels at the time inactive in United States ports.<sup>30</sup>

On January 22, 1941, the Coordinator took the matter to President Roosevelt, pointing out to him the dangers to United States relationships with her southern neighbors due to the shortage of shipping. He noted that the need for cargo space was steadily increasing and that there were accumulations of freight awaiting shipment in both directions. As a solution, he recommended the formation of a committee to organize and direct all available tonnage for the hemisphere. The idea was approved by President Roosevelt and on January 29 the Coordinator sent letters on the subject to Under-Secretary of the Navy James V. Forrestal and to Admiral Emory S. Land, as well as to the Ambassadors and Ministers of the 20 other American republics. Two weeks later in reply to the query of Admiral Land as to how the shipping shortage should be met, the Coordinator pointed out that shortage of merchant tonnage was the most serious problem faced by the democracies, and that the stability of the Latin American governments, now friendly to the United States, was largely dependent on their ability to ship products to foreign markets. In view of the responsibility of his Office for the coordination of economic relations in the hemisphere, he proposed the formation of a committee in order to obtain cooperative thought and effort on the problem,

<sup>30</sup> Frank Knox to Nelson A. Rockefeller, November 23, 1940.

stating that in his opinion "the responsibility belongs to the Maritime Commission. The first step has already been started in some of its aspects and the President's recent letter to you provides authority and impetus for accelerated action."<sup>31</sup> About the same time replies were received from the representatives of the other American republics, all of whom were glad to hear of the Coordinator's proposal and hoped it would relieve the situation. The President, with whom Mr. Rockefeller had left additional memoranda, also wrote Mr. Rockefeller on February 13th thanking him for the plan and suggesting that he get in touch with Admiral Land.

The Committee on Inter-American Shipping was immediately formed, composed of Admiral Land as Chairman, James V. Forrestal representing the War and Navy Departments, Dean Acheson representing the State Department, and Mr. Rockefeller.<sup>32</sup> Correspondence, reports and minutes of meetings of the Inter-American Shipping Committee for the remainder of the year show that the shipping shortage steadily became more serious, not only because of vastly increased demands from Europe arising from the war but also because of sinkings by Axis submarines. The Coordinator maintained every effort to secure what he felt was the necessary minimum tonnage for the Latin American trade, at times in the face of what he felt was a lack of realization on the part of other agencies and committees dealing with the shipping problem as to the urgency of needs in the other American republics.<sup>33</sup> For at least the first part of the year there was also no change to utilize Axis vessels laid up in Latin American ports, since the British were still insisting that they could not recognize seizure of vessels by Latin American countries and retained the right to capture them on the high seas.<sup>34</sup> By June the Coordinator had begun to consider the possibility of construction of vessels in Brazil to help meet the needs of

hemisphere transportation, and in August he backed the idea of modifying load-line regulations so that an increased amount of cargo might be carried in American-flag vessels, consistent with safety.

At the Rio Conference in January 1942 the transportation problem of the hemisphere was considered, and a portion of one resolution adopted provided that the American nations take steps to insure the allocation of sufficient shipping tonnage and for cooperation by every means in their power for the maintenance of adequate maritime service, using all the vessels which were immobilized in hemisphere ports, and which belonged to countries at war with any American nation, in order to maintain sufficient tonnage to permit the countries of this hemisphere to import and export products essential to their economies. Shortly after the Rio Conference a proposal came to the attention of the Coordinator indicating the possibilities of constructing wooden sailing ships in the other American republics. This idea was presented by Under-Secretary of Commerce Wayne C. Taylor, who felt that the situation was so urgent that this possible expedient in transportation (which, in his opinion, would require a minimum of steel in construction and utilize a maximum amount of local materials and labor) would be worth further exploration.<sup>35</sup> Mr. Taylor noted that he had discussed the idea with representatives of the other American republics during the Rio Conference and had found no major objections to the proposal. On his return, he had had further investigations made by the Bureau of Commerce, and had come to believe that the Inter-American Development Commission was appropriate for the purpose of constructing a "coffee fleet" of small wooden sailing ships for use in the Caribbean and Gulf of Mexico. Within a month after the first conversations on the matter between Under-Secretary of Commerce Taylor and the Coordinator had started, the plan had developed far enough for the latter to write the Department of State suggesting the possibility of constructing and operating wooden sailing vessels in the Caribbean area. At this time he stated that the War Shipping Administration concurred with the Department of Commerce and his Office as to the desirability of formulating and putting into operation a practical program without delay, and also that the

<sup>31</sup> Nelson A. Rockefeller to Emory S. Land, February 14, 1941.

<sup>32</sup> In a letter to the President dated February 19, 1941. Mr. Rockefeller noted that a committee consisting of Mr. Forrestal, Admiral Land, and himself had already been formed and had held two meetings. State Department representation had been added later.

<sup>33</sup> A number of memoranda and letters in agency files of the period from Feb. on reflect the amounts of tonnage requisitioned from hemisphere trade with the result that both south-bound and north-bound cargoes in large quantities had been cancelled and left on the dock. On 7/9/41, the Coordinator proposed to President Roosevelt the formation of a Joint Shipping Board on which both the U. S. and the British would be represented.

<sup>34</sup> Meeting of Inter-American Shipping Committee on June 12, 1941. Likewise, the British were demanding a large proportion of the 17 Norwegian vessels in the inter-American service.

<sup>35</sup> Nelson A. Rockefeller to Franklin D. Roosevelt, August 1, 1941.

<sup>36</sup> Wayne C. Taylor to Nelson A. Rockefeller, 3/3/32.

Inter-American development Commission felt that the project fell within the scope of its activities.<sup>37</sup>

With the necessary approval by the Department of State, on June 5, 1942 the members of the Board of Economic Warfare approved the plans made by the Coordinator to execute a program of supplementing existing shipping facilities in the Caribbean area with a small cargo vessel program.<sup>38</sup> On June 12 Mr. Rockefeller wrote President Roosevelt recalling the shipping shortage in the Latin American trades, and that it was unlikely that it could be improved or alleviated in the near future. He reviewed the plan for the building of wooden sailing vessels and the Board of Economic Warfare's approval of the project. Information based upon studies made indicated that approximately \$10,000,000 would be required to cover the cost of building and acquiring vessels for the period of 1 year, and the Coordinator requested authorization from the President to the Reconstruction Finance Corporation to grant a loan of \$10,000,000 to CIAA to undertake this program.<sup>39</sup> The President granted the authorization requested shortly afterward. It was decided to handle activities through the organization of a subsidiary corporation, and on July 15, 1942, the Inter-American Navigation Corporation was created as a non-profit corporation under the laws of the State of Delaware.<sup>40</sup> Progress in the program for acquisition of ships was not as rapid as was hoped, for two main reasons; first, difficulties had arisen by reasons of changes in the basic plan forced by intensification of submarine warfare in the Caribbean, and second, because it had required time to prepare complete plans and specifications to conform with these changes.<sup>41</sup> Activities of the Corporation by this time had been concentrated along the line of acquisition of certain small tonnage that was not being otherwise economically employed, the coordination of small vessels operating in the Caribbean, and the construction of new vessels in other American republics. It had been found very difficult to purchase vessels since other branches of the government also were in the

market for such ships and had taken over some 2,400 small vessels, leaving little or nothing available to the Corporation. The Office of Defense Transportation had also been reluctant to release tonnage because it was urgently required in connection with United States coastal trade. By November, however, nine vessels had been requisitioned through the War Shipping Administration, and two had been acquired by purchase. Some of the vessels obtained by the Corporation were in need of repairs, however, and few were in operation by November; at that time the Corporation was hopeful of improving conditions in the small vessel field through the chartering of vessels for use in handling essential commodities rather than freight with the highest freight classification.

In regard to construction, it had been decided that it would be more useful to build small wooden coastal ships rather than the originally-planned auxiliary sailing vessels, the reason for the change being that the former would require less critical materials and would be more effective in moving cargo than sailing ships.<sup>42</sup> Likewise, it was felt that they could be more economically operated. Plans and specifications had been drawn up for the Corporation, but the program hit a snag when investigations revealed that facilities for ship-building in the other American republics were far from favorable, and only in Mexico and Honduras were there sufficient materials available for an effective program. Corporation officials eventually consulted some 35 ship-builders scattered through the other American republics, but when informed that the Corporation would only be able to supply such main items as the chief engines, generators, and winches, all (with the exception of those from Brazil) lost interest in the construction program.<sup>43</sup> In Mexico it was found possible to obtain practically all materials with the exception of engines and cargo handling gear.

Eventually the Navigation Corporation gained title to some fifteen vessels purchased under requisition by the War Shipping Administration. Three of these were sunk by reason of marine perils; one requisitioned ship had to be returned to the owner because it was unsatisfactory. With the improvement in 1943 of the shipping situation of the Caribbean as the submarine threat was lessened, and with the increase of shipping space to Central and South America made available by the

<sup>37</sup> Nelson A. Rockefeller to Sumner Welles, April 13, 1942. The Coordinator noted that already the government of the Dominican Republic, without previous knowledge of these plans, had undertaken locally the construction of six small wooden sailing vessels for use in inter-island trade.

<sup>38</sup> The Coordinator received letters from BEW, the Maritime Commission, War Shipping Administration, Secretary of the Navy, the War Production Board, and the Department of Commerce in regard to the program contemplated, giving general approval of the idea.

<sup>39</sup> Nelson A. Rockefeller to Franklin D. Roosevelt, June 12, 1942.

<sup>40</sup> See chapter 19.

<sup>41</sup> Progress Report by the Coordinator to the Board of Economic Warfare, November 23, 1942.

<sup>42</sup> At least this was the reason advanced in several memoranda.

<sup>43</sup> Annual Report of the Inter-American Navigation Corporation, December 13, 1943.

War Shipping Administration, it was decided to liquidate the operations of the Inter-American Navigation Corporation. On April 30, 1943, an agreement was concluded between the War Shipping Administration and the Corporation whereby the latter's vessels were to be turned over to WSA for the purpose of coordinating all vessel operations in the Caribbean and Latin American trades.

Meanwhile the plan to build ships had made very little progress. One contract was under negotiation with a Mexican company, but was shelved when it was decided to turn over all vessels to the War Shipping Administration. The Corporation had also entered into a contract with a builder in Bay Island, Honduras, for construction of two vessels. One small vessel was completed and turned over to the War Shipping Administration, while the contract for the other, still under construction, was cancelled by mutual agreement.<sup>44</sup>

Handling of the Corporation's vessels while in operation was carried out by agreement with various private contractors under essentially the same conditions as those effected by the War Shipping Administration for the same purpose. Since these ships were handled for only a short time, revenues for carrying cargo were insufficient to meet operating expenses. Insurance on two vessels lost by marine peril was received by the Corporation, and money originally borrowed from the Reconstruction Finance Corporation was returned to that agency in July 1943.<sup>45</sup>

The program first envisaged when the Inter-American Navigation Corporation was formed was thus almost a complete failure. It should always be remembered, however, that it was attempted only because losses, through submarine attack and shortage of ships because of withdrawal for use elsewhere, had made almost any possible expedient worthwhile, also that it had the full approval of all other agencies interested in the shipping situation. The program was never pushed to completion because improvement in the war situation made this unnecessary.

The agency became interested in the "bottle-neck" conditions in 1944 developing in transportation through congestion at ports. Early in 1945 a consultant in port management, Mr. Finley W.

Parker, was appointed.<sup>46</sup> In June he proceeded to Mexico (as an employee of the Institute of Inter-American Transportation) to survey the needs and conditions of six Mexican ports — Tampico, Acapulco, Mazatlan, Manzanilla, Vera Cruz, and Puerto de Mexico. He returned to Washington in July and completed reports on all ports visited. In the fall he made another trip, for the Department of Transportation and Economic Development, to certain South American countries. Major ports in Venezuela, Colombia, Peru, Chile, and Brazil were visited on this tour. It was hoped that his comprehensive reports on need for equipment, warehouse space, speeding up of cargo handling, and other improvements, would be of value to the other American republics in planning improvement of port conditions.<sup>47</sup>

The Office of the Coordinator of Inter-American Affairs entered the field of railroad transportation in Mexico in 1942.<sup>48</sup> By this time transportation conditions in that country were becoming a serious danger to the hemisphere defense program. There is now no need to study in detail the circumstances which brought this about; it is sufficient to say that after expropriation by the government in June 1937, the Mexican railroads were turned over in 1938 to the Railway Workers Union for operation. A great many problems in maintenance and management had arisen from lack of experience and other causes, and at the same time the war had vastly increased the burden upon the roads. The impact of submarine warfare in 1941 and the tremendous demand for vessels to carry goods to Europe had made rail transportation a matter of vital importance. From Mexico principally, and from Central America as well, came some of the most critically-needed war materials such as: antimony, molybdenum, zinc, lead, tin, copper, tungsten, manganese, mercury, rubber, henequen, mahogany, graphite, and coffee, and they could be brought to the United States only over the Mexican rail lines.

The War and Navy Departments of the United States had long been familiar with the inadequacy of the Mexican railways to carry additional tonnage. On July 15, 1941, an agreement had been made between Mexico and the United States whereby the former agreed to sell its entire export-

<sup>44</sup> A letter of John C. McClintock to Emilio Collado on July 15, 1943 noted that the Board of Economic Warfare had that day approved abandonment of the wooden ship-building program, and gave data on cancellation of existing contracts.

<sup>45</sup> Ten million dollars had been authorized for the contemplated construction program, and \$192,950 were borrowed against this loan.

<sup>46</sup> Mr. Parker was a prominent member of the American Association of Port Authorities and for many years was Manager of the Port of Galveston Texas.

<sup>47</sup> Information on Mr. Parker's tours was furnished by the Transportation Division.

<sup>48</sup> Surveys had been made earlier in regard to this field of transportation, however.

able surplus of many strategic materials to the United States, and subsequent agreements further increased production for shipment north.<sup>49</sup> In January 1942 the Coordinator received word from his Coordination Committee in Mexico that the railways in Mexico because of their deplorable condition would be unable to carry the increased tonnage of strategic materials which would have to be moved north for the requirements of national defense. After consultations with other interested government departments and agencies such as the State Department, War Department, Metal Reserve Corporation, War Production Board, and the Board of Economic Warfare, CIAA was authorized to undertake, in cooperation with the State Department, a survey of the National Railways of Mexico preliminary to a decision on further action.

The first survey was carried out in February 1942 by Walter Douglas, formerly President of the Southern Pacific Railways of Mexico. He confirmed information already received as to the physical and operating conditions of the Mexican lines, especially those of the National Railways of Mexico. Its tracks, bridges, and other structures were found to be in a critically dilapidated condition, there was a serious shortage of locomotives and rolling stock and a great inefficiency in management. Mexican mines were producing more ores than the railroads could carry, so that smelters and mills were operating far under capacity because of inability to obtain raw materials and supplies. Railway equipment was old and much of the rolling stock and motive power was undergoing or awaiting repair. Tracks, bridges, and structures had neither been constructed for the movement of heavy trains at high speeds nor had they been properly maintained. Mr. Douglas recommended that a detailed study of the requirements be made at once. He recommended that a specialist in transportation, Major Howard G. Hill of the United States Army Engineers, who had recently been in Mexico on a mission for the War Department, be delegated to make the survey. Major (later Lieutenant Colonel) Hill was assigned to CIAA early in March and three railway technicians were borrowed from American railroads to assist him. This mission left Washington at the end of March to begin a survey which was completed by July, and which particularly dealt with the lines of the National Railways as

these lines would be called upon to carry the greatest volume of minerals, metals and other materials north and south.<sup>50</sup> Periodic reports returned to the Coordinator in the next few months indicated that conditions were fully as serious, if not worse, than had been feared. On July 8, 1942, a lengthy and comprehensive memorandum setting forth existing conditions on the lines was presented to President Avila Camacho of Mexico by Lt. Colonel Hill and United States Ambassador George S. Messersmith.

Meanwhile an inter-departmental committee had been organized by CIAA to study the reports above mentioned and to make recommendations for action. This committee included representatives of the State Department, War Department, Board of Economic Warfare, War Production Board, and later, the Office of Defense Transportation. After examining the reports, the committee decided that it was necessary to take action immediately toward rehabilitation and improvement of the Mexican railroads.<sup>51</sup> The committee recommended that the Coordinator should increase the staff of the mission by the addition of such American railway experts as might be considered necessary, with special consideration to the organization of an operating section. A series of discussions was carried out between the governments of the United States and Mexico to confirm the proposed plans and on November 18, 1942, an exchange of notes was made between the two governments for a joint program of rehabilitation for certain key lines of the National Railways. The lines chosen were selected on the basis of providing direct uninterrupted rail service from Texas Border points to Suchiate on the Guatemalan frontier, thus affording a continuous rail route from Central America for the movement of strategic minerals, metals, and agricultural and forest products to the United States. In order to carry out this program, Mexico agreed to take part in the immediate physical rehabilitation of its railway properties and to make such changes in management and operation as would be necessary to improve efficiency. In return, the United States agreed to furnish technical assistance and to bear a portion of the cost of rehabilitating the main lines essential to provide uninterrupted transportation of war goods and materials; and further agreed to make possible the procurement in the United States of

<sup>49</sup> See Robert J. de Camp, "The United States Railway Mission to Mexico" in *Foreign Commerce Weekly*, February 23, 1946; and Seymour T. Abt, "Mexican Railways Rebuild for War and Peace" in *ibid.*, July 17, 1943 for discussions on the subject.

<sup>50</sup> Project No. CF-1091 approved April 23, 1942. The amount authorized for expenditure was approximately \$26,000.

<sup>51</sup> Under-Secretary of State Sumner Welles gave approval by the Department of State in a letter to the Coordinator dated October 5, 1942.

the necessary minimum quantities of equipment and materials needed in the enterprise.

The "United States Railway Mission in Mexico," originally a survey party, was in November, 1942, headed by Oliver M. Stevens, an executive of the Missouri Pacific Railroad and President of the American Refrigerator Transit Company. The staff in Washington was also enlarged.<sup>52</sup> The Mission immediately made a preliminary study of existing reports and of actual conditions, and devised a program along two lines. The first was comprised of strictly emergency measures in order to avoid physical collapse and a halt in operations necessary for national defense. The second part of the plan consisted of a long term program looking toward complete rehabilitation and modernization of the entire system.

For a time the Mission's activities were limited since only a small number of technicians were allowed for the undertaking, but as the program developed and mutual confidence grew, its staff was increased until over fifty expert railway technicians recruited from the railroads of the United States were busily engaged. Five major departments were set up within the Mission: (1) Maintenance of Way, (2) Mechanical, (3) Car, (4) Traffic, (5) Stores and Reclamation. Eventually, at its height the Mission had a staff of over 150 employees.

By the early part of 1943 it had become evident that the program would last for some years. The original allocation of funds for the project from the President's Emergency Fund had amounted to \$2,500,000 and \$1,000,000 had been utilized from the Coordinator's funds. The Bureau of the Budget had also recommended that an additional \$4,000,000 be assigned from the President's Emergency Fund for the Mexican railway project. In order to make this money available to the Mission for the entire time of its existence and yet not spend more funds than were absolutely necessary, the Coordinator proposed to the other agencies concerned the creation of a subsidiary corporation modeled on The Institute of Inter-American Affairs, set up the year before to carry out the health program of the agency.<sup>53</sup> It might have been possible under terms of incorporation of the Inter-American Navigation Corporation, to have utilized that entity as a vehicle for the program, but since the latter's

<sup>52</sup> General direction of the work from the Washington end was placed in charge of Edward L. Love, Vice President of the Chase National Bank of New York.

<sup>53</sup> Nelson A. Rockefeller to G. Howland Shaw, May 20, 1943.

program was being liquidated, it was felt more advisable to establish an entirely new instrumentality.<sup>54</sup> After the necessary authorization had been granted to the Coordinator, the Institute of Inter-American Transportation was incorporated on June 18, 1943, under the laws of the State of Delaware with a capital of \$100,000 furnished by the Coordinator. Expressly created to carry out the work of the United States Railway Mission in Mexico, its charter was broad enough to allow it to take part in the assistance and improvement of all means and methods of transportation in the Western Hemisphere whether by land, air, or water.<sup>55</sup> Complete authority over the activities of the Corporation was to be exercised by CIAA, and the \$7,500,000 in funds available for use of the Railway Mission were turned over to the new Corporation under a grant-in-aid.

During its years of operation the United States Railway Mission in Mexico carried out a vigorous program of rehabilitation which enabled the National Railways to continue operations without experiencing any suspensions during the war except for temporary interruptions caused by floods. Many hundreds of thousands of defective cross ties were replaced; light or defective rails were replaced with heavier ones and many hundreds of thousands of cubic yards of new and proper-sized ballast were placed on roadbeds. Many bridges were rebuilt or strengthened, new sidetracks were installed, terminals were enlarged and improved, and repair shops were reorganized and modernized. In addition, a complete reclamation plant was installed, which has since saved over \$1,000,000 to the National Railways, and an orderly program established for the collection and sale of scrap. At the same time, through mechanisms established in CIAA, the necessary efforts were made to procure priorities and licenses for much repair and replacement parts and materials needed to maintain the Mexican Railways in operation.

At the same time that freight was kept moving in connection with the war effort, the Railway Mission was carrying out extensive studies which would enable Mexico to improve the railway system on a long-term basis. Each department of the Mission submitted carefully prepared de-

<sup>54</sup> Nelson A. Rockefeller to Harold D. Smith, May 21, 1943. It was planned at this time after the operating functions of the Navigation Corporation had been completed to transfer the remaining funds to the new Corporation.

<sup>55</sup> See chapter 19 for further data on the Corporation.

# RAILROAD PROJECTS STATUS JAN. 31, 1945

COORDINATOR OF INTER-AMERICAN AFFAIRS  
JULY 1944  
GRAPHIC REPORTS   
SOURCE:  
6-16-44 CIAA TRANSPORTATION DIVISION  
GEN. SCHLEY, MR. LINDER  
USA 13.6/7 RAILROAD PROJECTS - CONT. 1A



AMERICAN GEOGRAPHICAL SOCIETY OF NEW YORK



tailed plans for the modernization of its part of the operations, and these recommendations and plans were translated into Spanish and presented to the management for guidance. In addition, a program for complete reorganization of the administrative, accounting and operational management of the railways was drawn up, designed to make the system eventually conform to the best and most modern practices in use on United States railways. Thus the assistance given by the Mission in obtaining locomotives, freight cars, repair parts, and other equipment (paid for by the Mexican Government or the railways themselves) was supplemented by the possibly much more important item of technical assistance and instruction, which it is hoped will enable the 55,000 employees of the Mexican National Railways to carry on operations on an efficient basis after the work of the Mission is completed on June 30, 1946.<sup>56</sup>

In addition to the work of the United States Railway Mission in Mexico, The CIAA carried out several additional railway projects in South America, which however were not handled by the Institute of Inter-American Transportation, but by the Transportation Department of CIAA itself. In the fall of 1942 Bolivia, by that time the principal source of tin for the war effort, appealed to the United States for assistance in connection with an imminent breakdown of rail transportation, and on January 4, 1943, James A. Dehlsen, an experienced engineer formerly with the Southern Pacific Railway of Mexico, reached La Paz to take up the task of helping to keep the Bolivian railway system in operation and to serve as technical advisor to the Minister of Communications.<sup>57</sup> Mr. Dehlsen also gave aid to the Chilean government in its transportation problems by inspecting the ports of Arica and Antofagasta, and by submitting recommendations for the relief of warehouse and traffic congestion in both ports. He likewise surveyed the Peruvian ports of Mollendo and Matarani and certain railroads in Peru and made recommendations which would facilitate the handling of freight in that area. (Bolivia is landlocked and her only outlets on the Pacific are through the ports of Chile and Peru). Ecuador also sought aid in maintaining her few but important railway lines in operation. Another official of the

<sup>56</sup> The Mission operated in an advisory capacity only after January 1, 1946 (New York Times, January 1, 1946).

<sup>57</sup> He was to continue to aid in Bolivian transportation during the remainder of the existence of the agency.

Southern Pacific Lines, Elliott V. Vandercook, went to Quito in September 1943, and for the next five months carried out a survey of the railway situation and gave advice with regard to solution of problems involved. He also counselled and assisted in the acquisition of materials and equipment urgently needed. His recommendation that the nation consolidate its railways in a single federal system was adopted and made effective by presidential decree. Finally, the Colombian government requested assistance in overcoming serious engineering difficulties confronting the operations of her railway system, and the same official with two assistants spent a month beginning June 5, 1944, making a survey and inspection of the system followed by a report and recommendations. In July 1945, Herman D. Knecht and Sherman F. Miller, both on loan from the Missouri Pacific Railroad, went to Colombia and are making extensive studies to help improve shop equipment and operations and general operating conditions over the entire system.

In the summer of 1942 Mr. Rockefeller made a visit to Brazil and while there discussed with President Vargas the possibility of establishing fluvial communications by way of the Amazon and its branches to those of the Orinoco and thence to the Venezuelan coast. This was of particular significance in view of the sinkings of vessels by Axis submarines off the east coast of Brazil, at this time reaching such proportions that there was a growing doubt as to the maintenance of delivery by ocean of food, petroleum supplies, and other necessities. In November the Brazilian Ambassador in Washington wrote to Under Secretary of State Sumner Welles that he had been informed that Brazil, Venezuela, and Colombia were in accord as to an examination of the possibility of opening communications by river and suggesting that Mr. Rockefeller be informed as to possibilities.<sup>58</sup> Under Secretary Welles then inquired of Mr. Rockefeller the status of the project (of which he had been informed by the latter on his return from Brazil) indicating that it could hardly be considered as an emergency war project. Mr. Rockefeller in a return letter reviewed his conversations in Brazil, pointing out that the serious shortages of petroleum products occasioned by the lack of tanker tonnage and by submarine activities on the Atlantic Coast imposed a major problem in the rubber procurement program, as well as to the

<sup>58</sup> Carlos Martins to Sumner Welles, November 3, 1942, enclosed in a letter from the latter to Mr. Rockefeller.

United States air operations based in Belem and Natal. He felt that if it were possible to create an alternate route from Venezuela to the Amazon, it would be well worth while. He stated that at no time had he discussed more than a thorough engineering survey to start with, which he felt would be worth the expenditure as an emergency measure.<sup>59</sup>

Discussions were then held by the interested agencies, and approval was granted by Brazil and Venezuela for a survey of the proposed Orinoco-Casiquiare-Rio Negro inland waterway to be carried out by a group of United States Army engineers financed by CIAA. The necessary instructions were issued for the survey in January 1943.<sup>60</sup>

The party which carried out the survey consisted of 15 persons, to which were attached 2 observers from the Venezuelan and Colombia governments. The party examined the proposed route and returned to the United States in May, presenting a report in August 1943.<sup>61</sup> Findings indicated that the waterway was navigable for small boats throughout its course for approximately 10 months of the year. Four plans for improvement of the waterway were developed for possible use, but the success of the campaign against the Axis submarines made it unnecessary to proceed further with any effort to make use of the surveyed route. The report, however, provided valuable basic information relating to the area, and data which would be essential to its use in case need ever should arise. The total cost of the survey was \$75,000.

As noted before, the Coordinator in the fall of 1940 had had prepared by special consultants, surveys covering all fields of transportation. While the greatest emphasis was placed upon aviation and shipping, a report was also prepared by Fred Lavis, New York consulting engineer and specialist in Latin American transportation, on the essential facilities of existing land and river transportation in the other American republics as a guide to further study and possible operations; this report was presented in December, 1940.

No extensive development of a program in early days in the field of highway transportation was undertaken by CIAA as compared with the efforts made in aviation and shipping problems. The

reason for this is not entirely clear, but probably several factors were concerned. In the first place, other agencies, such as the Public Roads Administration, already existed and had responsibilities in the field. The most important single project in the Latin American area was the Inter-American Highway, and its construction was under the direction of other authorities. Probably most important of all was the fact that CIAA was in the position of having to justify its activities on the basis of the war emergency, and in most cases construction of roads (except for certain military highways which would be the responsibility of the United States Army) would fall into the field of long-range objectives and would not come within the authority of the CIAA.

However, some few projects in the field of highway development were backed by the Coordinator. For example, in April 1941 some \$10,000 was transferred by the Coordinator to the Federal Works Agency, Public Roads Administration, to provide for salary and expenses of a comptroller to aid and advise the government of Ecuador on methods of purchasing and accounting, job control, and other factors in connection with the road construction program undertaken by that government.<sup>62</sup> This action had been suggested by the Department of State following a request to it from the government of Ecuador and by the Export-Import Bank (in connection with a loan to be made by the latter to Ecuador). The funds advanced covered expenses up to June 30, 1942; expenses of this project were carried elsewhere after this time. Some financial aid was also given by CIAA in connection with a survey of a portion of the Inter-American Highway under the auspices of the Department of State.<sup>63</sup> As was to be expected, CIAA gave every possible aid in pushing work on this highway and in disseminating news regarding it which would be of interest to the hemisphere. The single most important operating program in the field of highway construction which the agency entered into during its history was the construction of a key highway in Honduras, but this really was developed more as a project of emergency rehabilitation necessitated by dislocations in the economic situation caused by the war.<sup>64</sup>

The fields in which CIAA attempted most in regard to highway transportation were the very

<sup>59</sup> Nelson A. Rockefeller to Sumner Welles, November 19, 1942.

<sup>60</sup> A project covering the expenses of the survey not to exceed \$100,000 was authorized by CIAA on November 18, 1943.

<sup>61</sup> Report on the Orinoco-Casiquiare-Rio Negro Waterway, Venezuela-Colombia-Brazil, prepare for CIAA by the Corps of Engineers, United States Army, July, 1943.

<sup>62</sup> Letter from Federal Works Agency to the Coordinator, April 11, 1941.

<sup>63</sup> Estimated amount expended by the agency was about \$15,000.

<sup>64</sup> This project is discussed in chapter 12 as a part of the Emergency Rehabilitation program.

# HIGHWAY PROJECTS STATUS JAN. 31, 1945

COORDINATOR OF INTER-AMERICAN AFFAIRS  
 JULY 1944 GRAPHIC REPORTS   
 SOURCE: O-16-49 CIAA TRANSPORTATION DIVISION, GEN. SCHLEY AND M.E. BILMORE  
 USA 13,677 HIGHWAY PROJECTS, CONT. II A



AMERICAN GEOGRAPHICAL SOCIETY OF NEW YORK

important ones of giving technical aid to the other American republics in connection with their construction programs, and in bringing officials and engineers from Latin America to the United States for technical training, examination of roads and obtaining data on construction, operations, and administration. In both cases not an extremely large number of individuals were concerned, but as mentioned in connection with all training programs, it was hoped that results would contribute to transportation improvement on a lasting basis. In connection with the plan for sending experts to the other American republics, highway technicians were sent to Mexico, Colombia, Venezuela, Ecuador, Peru, and Paraguay (the sending of railroad technicians by the Transportation Division to several countries has been mentioned previously). In Mexico under the auspices of the Mexican-American Commission for Economic Cooperation, two men were sent to study highway and air transportation conditions, with special emphasis on materials and equipment necessary for maintenance, and to aid the Mexican government in securing experienced operators and advice. The project was later extended and the United States technician assisted in the coordination and reorganization of bus passenger and automotive freight traffic service with a view to improving the operation thereof without the necessity of obtaining additional equipment.

A mission sent to Paraguay studied not only highway conditions, but all methods of transportation. A railway and trucking expert and an officer of the Corps of Engineers experienced in railway transportation and river improvement in 1944 made an exhaustive investigation and analysis of highway, railway, riverborne, and air transport within Paraguay and in connection with its international trade at the request of the government. The report subsequently submitted contained recommendations for a program not only for immediate improvement but also one covering long-range aspects. In the case of Peru, CIAA sent a trucking expert in 1943 who made an extensive survey and a number of recommendations. The Colombian government, as a result of the earlier study on highway transportation made by an expert sent by CIAA as noted earlier, requested the return of the mission in 1945, valuing its work so highly that it agreed to pay for all transportation and operative expenses of the mission while in the Republic. Subsequently this mission was extended to cover highway studies in Venezuela and Ecua-

dor. Other projects were planned in 1945 to give aid through the supplying of technical experts to both Peru and Brazil, and Major General Julian L. Schley, Assistant Coordinator in charge of the Division of Transportation, made preliminary arrangements while on a trip through the other American republics for the dispatch of the specialists desired. Both of these projects, however, were eventually cancelled; in the case of Peru no official request from that government was sent,<sup>65</sup> and the Brazilian program eventually was cancelled because of the contemplated termination of the Office of Inter-American Affairs as an agency, which would end the work of the Transportation Department.

In the field of giving aid to the other American republics through bringing engineers and officials connected with various aspects of transportation to the United States for study and observation, the first projects were put in operation as early as 1943. Several highway and road-building engineers were invited to the United States for periods lasting up to a year each, and highway transportation officials were brought in for tours lasting three and four months. Military justice officers representing 11 countries were brought to the United States for half-year training periods, and a number of railway officials and one seaport official were brought for visits.<sup>66</sup>

Rising in part from the visits of officials from the other American governments to the United States, CIAA was able to supply much information to these persons in regard to the prospective purchase of materials for postwar transportation improvement. According to the belief of the head of the Transportation Division, a tremendous expenditure for construction equipment and other transportation materials is in prospect, and it was felt that the program of bringing representative persons from the other American republics, not only to examine methods of operation but also to discover avenues for acquisition of machinery and supplies, would be productive of modernization of transportation essential to all types of hemisphere economic development.<sup>67</sup>

In September 1944, at the time when plans were being made for liquidation of CIAA, the Coordinator hoped that the transportation activities of his agency could be continued. He suggested to the

<sup>65</sup> Julian L. Schley to Ralph Hilton, September 4, 1945.

<sup>66</sup> By May 1946 the estimated total number of visitors brought in to study highway and railway transportation was at least 80 persons, with a majority of the other American republics represented.

<sup>67</sup> Memorandum of Colonel Maurice E. Gilmore, April 26, 1946.

Bureau of the Budget that the activities of the Institute of Inter-American Transportation be expanded to include all those of the Transportation Department, transferring to the former funds available in CIAA. The reasons advanced for such a proposal were the belief that the transportation program should be continued even more vigorously after the war in view of the need for improvement of facilities throughout the hemisphere, and that experience had shown that such a program could best be carried out through the corporate arrangement. The latter had obvious advantages in the carrying out of operations in foreign countries where the hiring of personnel, the purchase of materials and supplies and the contractual arrangements were concerned; likewise, it was a device which facilitated cooperative programs, so that expenses could be borne in part by the countries in which the work was concerned. The Coordinator felt also that transfer of functions to the Institute of Inter-American Transportation would facilitate their eventual location on a permanent basis in some continuing Government agency.<sup>68</sup>

The plan advanced by Mr. Rockefeller for use

<sup>68</sup> Nelson A. Rockefeller to Harold D. Smith, November 13 1944

of the Institute of Inter-American Transportation to handle CIAA activities in the fields of aviation, highway and ocean transportation was not accepted by the Bureau of the Budget, the latter believing that transportation activities should be carried out by the Foreign Economic Administration.<sup>69</sup> While the Coordinator in a later letter defended the jurisdiction of his agency in regard to programs in the transportation field, and recalled an agreement with FEA in 1943 for division of activities between the two,<sup>70</sup> the program for consolidation of all transportation work under the Institute of Inter-American Transportation was never carried out. Liquidation of the Institute itself was in prospect with completion of the work of the Mexican Railway Mission by July 1, 1946.

<sup>69</sup> As noted in a letter of Nelson A. Rockefeller to Harold D. Smith, February 14, 1944.

<sup>70</sup> A memorandum of July 10, 1944 by Major General Julian L. Schley indicated that a consultation with the Director of the Transportation Branch of FEA on July 1 and 7 had resulted in an agreement between them that the latter agency was concerned principally with transportation requirements of the other American republics in equipment to be exported from the United States and with the export of strategic materials from those nations, while CIAA would operate in the field of supplying technical aid from those nations, while CIAA would operate in the field of supplying technical aid for rail and highway transportation, and that it was agreed between them that there seemed to be no conflict of activities.

## PRESS AND PUBLICATIONS

The Executive Order which established the Coordinator's Office charged the agency with the "execution of a program in cooperation with the State Department which by effective use of governmental and private facilities in such fields as the arts and sciences, education and travel, the radio, the press, and the cinema, will further national defense and strengthen the bonds between the nations of the Western Hemisphere." From this authority was developed the extensive information program of CIAA, which was to start in the fall of 1940 and to function continuously until transferred to the Interim Information Service in August of 1945.

The purpose of the CIAA information program was two-fold. In the first place, the Coordinator desired to further close cooperation and decisive joint action on new and constantly changing problems by all of the countries of the Western Hemisphere, and this he believed depended on the "support of thoroughly informed public opinion which understands the significance of events that are taking place at home and abroad."<sup>1</sup> In the second place, he was attempting to meet and counteract the propaganda program of the Axis powers which was going on by that time through the radio, through the news columns, through a subsidized press, and by many other means.<sup>2</sup> For the first 3 years probably the greater emphasis was placed upon meeting the threat presented by Axis propaganda, but by the summer of 1943 the immediate danger of military action in Latin America was greatly lessened by the successes of the Allied armies in North Africa, and emphasis in the information program was shifted more toward the maintenance of a continued effort in the economic

field and the minimizing of factors which might cause political instability.<sup>3</sup>

There is some difficulty in defining exactly all activities which might be included in the program. The agency undertook to handle information activities directly through publications, radio, and news services, pamphlets, and newsreels. In addition, it supplied aid to privately-owned information agencies whenever this was necessary and useful. It was interested in disseminating information in the other American republics about the United States and its war effort, and likewise did the same in the United States with respect to Latin America. It also carried out information activities for the use of its own divisions and other government agencies working in the hemisphere field. In addition, some aspects of its cultural program and certain activities concerned with interchange of persons were considered a part of the information program. Most aspects of these informational activities will be covered in chapters devoted to press and publications, radio, and motion picture operations, but certain others are included in chapters which emphasize other parts of the program.

The general policies under which the agency carried out its information activities fitted into broader national plans for the entire war effort. From the start, the Coordinator had been instructed in the order creating his agency to cooperate with the State Department in his work in promoting the unity of the hemisphere through communication media. This cooperation was made even more certain by a letter of the President in April 1941, making all projects of the Coordinator's Office to be carried out in the other American republics subject to specific approval by the De-

<sup>3</sup> The information program is normally described in the hearings before Congressional budget committees, and in various "Summaries of Activities," as having the two-fold objective of promoting hemisphere unity and the counteracting of enemy propaganda efforts.

<sup>1</sup> *Hearings, H.R., Second Deficiency Appropriation Bill, 1941, p. 688.*

<sup>2</sup> *Ibid.*, p. 691.

partment of State.<sup>4</sup> In following out activities in the information field, therefore, CIAA maintained constant liaison with the Department, with a regular committee on information, representing both agencies, in regular operation. With the coming of war, new agencies entered the propaganda or information field, with certain functions at first carried out by the Office of Facts and Figures and others by the Coordinator of Information. With the former, concerned largely with operations in the United States, the Coordinator had little cause for friction, but in the case of the Coordinator of Information, a serious question of jurisdiction arose in the fall of 1941, to be settled eventually in favor of retention by Mr. Rockefeller of authority over information insofar as it concerned the field represented by Latin America.<sup>5</sup>

When the establishment of the Office of War Information was in prospect in the spring of 1942, for a time it appeared that the entire information program of the United States abroad would be made its responsibility, and the Coordinator again had to make vigorous efforts in order to maintain his control over information activities in the other American republics.<sup>6</sup> This he succeeded in doing; his program, of course, was to be planned and carried out within the general framework of broad policies and controls set up by the Overseas Planning Board of OWI, but it was adapted by CIAA to suit needs and conditions in Latin America. Likewise, the information program of CIAA was always carried out with due regard to controls set up by the Office of Censorship and the Army and Navy Departments.

The Office prided itself in handling its information program in accordance with the best professional standards, and with no deliberate perversion of the truth.<sup>7</sup> In the first years of operation (at

<sup>4</sup> See chapter 15.

<sup>5</sup> Further details of this difference of opinion as to powers (which were connected particularly with short wave broadcasting operations) are described in chapter 5.

<sup>6</sup> See chapter 16. Loss of the information program at this time probably would have meant liquidation.

<sup>7</sup> *Hearings, H.R., 1945, Pt. I, p. 911*, Mr. Rockefeller in speaking to a Senate Committee held that "the United States came in with a program of truth in answer to enemy lies" and to a question of a Committee member, "Have you always restricted yourself to the truth?" he replied, "I know of no instance in which we have not. I do not like to use the word 'restricted' — it sounds as though we had a hard time." He went on to explain:

"We consider it an information program, the objectives being to explain what is going on in a military way the world over, and the significance of the battle, the objectives of our enemies, our own objectives, that is, the preservation of freedom and the way of life which we have believed in as a nation from the beginning. We attempt to bring to them an understanding of this country, honestly portraying life in the United States. We try to picture for them our appreciation of spiritual and cultural values, so that they might understand us better and recognize that — in

least in agency memoranda) the activities in this field were spoken of frankly as propaganda rather than information, and there was of course a conscious direction of the entire program so as to present the United States to the other American republics, both in connection with its war policy and in regard to its efforts to promote hemisphere welfare on a long-range basis, in a favorable and convincing light.<sup>8</sup> This did not involve misrepresentation in regard to facts, for the Coordinator and his associates fully realized that a departure from the truth would give Axis propagandists further ammunition and would arouse distrust among the citizens of the Latin American nations. Techniques involved in the use of information materials, therefore, were those of selection of favorable items and emphasis upon those ideas which it was desired to convey, and with unfavorable subjects admitted but not stressed. In addition, the information program was naturally affected by wartime restrictions, for nothing could be reported that might give aid or comfort to the enemy.<sup>9</sup> In public statements the use of the word "propaganda" normally was avoided since by this time it had unfavorable connotations in the public mind, both in the United States and in the other American republics.

The sections of the CIAA organization devoted to press operations were of significance almost from the creation of the agency. The order under which the Office had been established had indicated the written word as one of the mediums for promotion of hemisphere unity, and the agency was concerned from the start with the volume of this type Axis propaganda pouring into the other American republics and desired to establish its own machinery to counteract this danger. In the first year of the agency's existence all press operations were not coordinated in a single unit, for within the Communications Division (which had its headquarters in New York) there was set up a Press Section,<sup>10</sup> while in Washington there was an additional "Information Division."<sup>11</sup> This unit

common with them — we have similar aspirations, share the same sense of decency and the same desire to create opportunities for all to better themselves through their own efforts. We believe that only people who know, trust, and understand each other can effectively work together for their future best self-interests. That has been the basis of our information activities and will continue to be the basis as long as it is carried on." (*Hearings, H.R., 1945, Pt. I, pp. 924-5*).

<sup>8</sup> Cf. discussion in chapter 14.

<sup>9</sup> See chapter 7 for planning of content in information activities.

<sup>10</sup> Program of the Communications Division, April 1941. The men most concerned with this Section were Karl A. Bickel, former head of the United Press, and Nelson Poynter, publisher of the St. Petersburg, Fl. Times.

<sup>11</sup> Later called "Public Education and Information Division."

was headed first by John M. Clark<sup>12</sup> and then, when he was made Director of a Health and Security Division in December 1940, it was put in charge of Mr. Francis A. Jamieson, formerly with the Associated Press and a winner of the Pulitzer Prize for Journalism in 1933. The Information Division was particularly concerned with public relations, while the Press Section of the Communications Division disseminated news in the other American Republics.

In the summer of 1941 the two above units were combined in practice (although still shown separately on charts), with Mr. Jamieson placed in charge of both.<sup>13</sup> Meanwhile there had been some controversy as to whether the News Committee of the Communications Division should operate mainly in Washington or New York. A memorandum presented in May to the Coordinator by Mr. Jamieson pointed out that a serious problem resulted from the fact that CIAA was at the time the only Office of the government that officially attempted to disseminate news stories and articles through two separate news sections or divisions. This separation of functions, he felt, had created confusion both among departments of the government and the press in general, and that certain difficulties in operation were resulting. He advocated that the News Committee directing the work of the Press Section of the Communications Division should be centered in Washington, because that city was the greatest news center of the world as the only remaining major source of uncensored international news, and as the major centralized source of Western Hemisphere news, with three-fourths of all United States news printed in the other American republics originating there. It was also a centralized source of national news, with most publications and press associations maintaining large writing staffs there; likewise it was a gathering place for experts, specialists, and writers in all fields including Latin America. While he believed the News Committee should remain a section of the Communications Division, he felt it essential that it should be operated under the supervision of the Division of Public Education and Information in Washington because the latter was thoroughly familiar with the basic policy of CIAA, an essential factor for effective operation of the News Committee. There was also the ad-

vantage that the Information Division worked in close collaboration with other departments of the government and was familiar with their policies and activities.<sup>14</sup> On the other hand, some men in CIAA maintained that it was necessary that at least a branch of the News Section be in New York, particularly because most news coming from Washington was processed in New York before being cleared for Latin America. New York also was the only place in the United States from which mat distribution was feasible, and where various other practical problems, connected with production of posters, pamphlets, and cartoons, could be handled.<sup>15</sup> More and more, however, the operations of the Press Division tended to center in Washington<sup>16</sup> and by the time the United States entered the war, direction of the entire information program had been shifted there, although many operations, particularly in connection with radio news broadcasting, were handled from the New York office. Early in 1942 the Communications Division as such was abolished, with a Department of Information created to handle all information activities. The Press Division was one of the three major units of this Department. Nominally it remained there through 1943, but during most of this time it was functioning as a separate unit. By early 1944 the Press and Publications Division was a separate Department with an Assistant Coordinator in charge; it was transferred to the Interim Information Service with the remainder of the information program in August 1945.<sup>17</sup>

In regard to policy, the major operations of the Press Division, as in the case of other information activities, were directed toward the winning of the war. When it started to operate in 1940, it was found that with a few notable exceptions the newspapers of the other Americas depended upon the United States and other foreign press associations. However, the services of the independent

<sup>12</sup> Francis A. Jamieson to the Coordinator, May 22, 1941. Mr. Jamieson also suggested Mr. Harry Frantz of the United Press as possible head of the News Committee and later Mr. Frantz was secured as Director of the Press Division, remaining with it until Mr. Rockefeller went to the Department of State in December 1944. Mr. Jamieson also suggested that Mr. A. L. Murphy, News Editor of the Associated Press Picture Service, should be obtained to handle news picture work and this was done with Mr. Murphy handling this activity until the press work was transferred to the Interim Information Service in August 1945.

<sup>13</sup> Leslie Eichel to Don Francisco, August 1, 1941; Don Francisco to Carl B. Spaeth, August 13, 1941.

<sup>14</sup> In the "Summary of Activities" of August 29, 1941, under "News" it was stated "the Office of the Coordinator maintains a staff of trained newspaper people in Washington to render service to newspapers, news agencies, periodicals, and picture services, both of the United States and the other Republics."

<sup>15</sup> Mr. Francis A. Jamieson, Assistant Coordinator in charge of the Press Department, remained with the agency until January 1946.

<sup>12</sup> Mr. Clark had been an editorial writer on the Washington Post, and had been associated with Mr. Rockefeller in his Venezuela enterprise.

<sup>13</sup> Press Release No. 64, August 16, 1941, announced that Mr. Jamieson had been made Chairman of the News Section, while remaining Director of the Information Division.



# SERVICE TO LATIN AMERICAN NEWSPAPERS MAGAZINES, AND RADIO STATIONS

## DAILY

**RADIO NEWS**  
*Via shortwave*

**ILLUSTRATED FEATURES**  
*on mats or plastic plates.*  
6,875 per month.

**PHOTOGRAPHS, CARTOONS**  
*on mats or plastic plates.*  
24,519 per month.

**MICROFILM SERVICE**  
*Illustrated Features, Airmail Feature & Supplements, Brazilian Feature, and clippings from journals sent regularly.*

**PHOTOGRAPHIC PRINTS**  
*Prints and negatives.*  
7,115 per month.

DIRECT FROM U.S.

## WEEKLY

**AIRMAIL FEATURE & RADIO LETTER,**  
*The Economic Supplement, and Health & Sanitation Supplement. Sent to approx. 800 papers*

**EXCLUSIVE FEATURES**  
*Sent to leading newspapers,*

**EXCLUSIVE MAGAZINE SERVICE**  
*Translations from leading U.S. magazines. Sent to magazines in 20 countries.*

**SPECIAL MAGAZINE SERVICE**  
*Prepared by CIAA. Sent to 6 countries.*

**4 SPECIAL FEATURE LETTERS**  
*For 12 Countries: Brazil, Chile, Mexico, Caribbean countries. Received by 1434 publications.*

**LABOR FEATURE SERVICE**  
*Sent to 60 labor publications.*

**COORDINATION COMMITTEES**  
*in 20 countries*

OVER 1,000  
NEWSPAPERS  
& MAGAZINES

200 RADIO STATIONS

commercial press associations were too costly for many of the smaller Latin American newspapers. At the same time, competing with the commercial agencies, were Axis-subsidized press associations such as the German Transocean Agency, which offered news features and photographs at cut rates or without cost. Because of these circumstances, Transocean had been highly successful in getting much material used in the Latin American press even though editors realized that it was a Nazi propaganda medium. The Coordinator's Office did not desire to compete with the United States press organizations; not only would it have been a costly duplication of effort, but it would have undermined the position of these associations and would have aroused much resentment. At the same time it was a matter of great concern to CIAA that the policies of the United States should be presented adequately in Latin America and that the propaganda of the Axis should be opposed and counteracted by full use of press facilities in those areas not reached by the commercial press associations. The method adopted to achieve these objectives was the establishment of services which supplemented but did not compete with those rendered by the regular commercial concerns. The Press Division of CIAA furnished abundant materials and all other assistance possible to the latter, and made no attempt to interfere in any way with their operations. News was to be transmitted by short wave radio; by distribution of feature articles, news photographs, pamphlets, and cartoons; and by the publication of an agency magazine, *En Guardia*. In these operations the major attempt was to furnish the news agencies of the other American republics not able to obtain information from the major commercial press associations with the material considered necessary to carry out the United States program.<sup>18</sup>

In its operations the Press Division tried to maintain the highest professional standards, always holding as a basic theory that the truth itself was the best "propaganda" possible, for a distorted interpretation of facts would cut down use of materials by independent press associations, and because misrepresentation would furnish a weapon to the Axis. This, of course, did not prevent a wide latitude in selection and emphasis to make the information program of the United States follow the lines laid down by wartime objectives. The majority of the materials for use

by the Press Division had to find acceptance by editors on the basis of professional merit, and therefore had to be prepared with an eye to timeliness and with a minimum of "editorializing" in their contents; a few publications (such as *En Guardia* and various pamphlets) were delivered directly to readers and could be guided and controlled editorially as desired. The Press Division of course followed broad information policy lines laid down by such agencies as the Army and Navy and jointly determined in cooperation with the Office of War Information. Close liaison with the Department of State was maintained by meetings held weekly or oftener and through the submission of individual items for its approval. Content of different specific types of press media was also governed by groups set up for the purpose. The editorial content of *En Guardia* was determined by officials of the Press Division, the State Department, and the company (Business Publishers International Corporation) who actually printed and put out the magazine.<sup>19</sup> Radio and news operations were constantly guided from a content standpoint by meetings of a Content Committee and by content directives.<sup>20</sup> News picture materials were selected chiefly under a criterion of timeliness, with editorial conferences on picture or cartoon subjects held as necessary. The content of feature publications conformed to instructions from weekly content meetings and daily exchanges of ideas with the State Department, and was also guided by requests and recommendations of field personnel.<sup>21</sup>

During its operations the Press Division had to meet with several obstacles. In the first place, all newspapers of the hemisphere had shrunk appreciably in size during the war years because of shortages of newsprint and one of the earlier efforts of CIAA, working through the Transportation Section of the Commercial and Financial Division and in conjunction with the Department of State, had been the arrangement of a subsidy to pay for the shipping of newsprint to Latin America so that friendly newspapers could continue to print. Funds were obtained from the President's Emergency Fund in 1942 and then from Congress

<sup>18</sup> This editorial board was composed of Francis A. Jamieson and Harry W. Frantz of the Press Division of CIAA; Michael McDermott and John Drier of the State Department; and Clifford Stark of BPIC.

<sup>20</sup> The work of the Content Planning unit will be discussed in following pages.

<sup>21</sup> Memorandum of Harry W. Frantz to Francis A. Jamieson, January 27, 1944.

<sup>18</sup> A memorandum of Harry W. Frantz to Francis A. Jamieson, January 27, 1944, summarized this policy.

for the next 2 years.<sup>22</sup> The necessity of multiple clearance under a governmental set-up also slowed up press operations, and the absence of fast international service message facilities and the inflexibility of personnel regulations handicapped the Division. In the same connection, there was great care needed that materials given out by the agency should not be misconstrued as policy statements. It was also found more difficult to coordinate field operations under government control than under private agencies.

Operations of the Press and Publications Division were one of the largest items in the CIAA program, with personnel during most of the war years numbering in the neighborhood of 200 persons.<sup>23</sup> Less space, however, is needed to describe these operations than in the case of some less important in the agency program, because of the fact that these operations were continuing ones, and were channeled into a few larger activities; in evaluating the overall program of the Coordinator's Office this fact should not be overlooked.

One of the first major operations of the Press Division was the publication of a pictorial magazine to portray and dramatize the defense measures being taken by the United States. This magazine was first projected in the fall of 1940 by Mr. Karl A. Bickel who made the suggestion that about six issues of a "quality pictorial magazine" be put out by the agency.<sup>24</sup> Work was started on a dummy, with subjects for the first issues to be the Navy, the Army, and the Air Corps. Issues were to be sent out about once every two months. Originally it was planned to have a magazine about the size of the Saturday Evening Post or Life, of the highest possible quality, with much space devoted to pictorial items both in black and white and in color. Separate editions of the same issue in Spanish and in Portuguese, for use in Brazil, were to be published. The original number of pages contemplated was 32, but as the project developed, it was decided to increase the number to 56.<sup>25</sup> It was originally planned to print 50,000 copies but by the time a project was authorized, the first issue

<sup>22</sup> *Hearings, H.R., 1945*, Pt. 1, p. 941. An allocation of September 9, 1942, amounted to \$550,000.

<sup>23</sup> On October 31, 1944, a personnel chart showed 189 positions in the Press and Publications Division in the United States, and 10 in the other American republics.

<sup>24</sup> Nelson P. Poynter to James W. Young, March 7, 1941.

<sup>25</sup> A memorandum on the development of the magazine states that the first number of pages set were 32, about the middle of January 1942 it was increased to 40, and by March had been further increased to 52, and finally 56. Subsequently it was standardized at 44 pages, including cover.

had been set at 80,000 copies, of which 60,000 would be in Spanish.<sup>26</sup>

Distribution of the magazine, which at first was given the title "En Marcha" was to be largely by mail with a certain number placed on newsstands. A few thousand copies were to be distributed in Spanish-speaking areas in the Southwest United States and in Florida.<sup>27</sup>

By the time the defense magazine (as it was frequently called in agency memoranda) was brought to the status of the project in March 1941, some 2 months of experimental work had been put into the first issue which was to be devoted to the Navy. Editorial aid had been given by the staff of Life magazine.

Bids for printing the magazine were obtained from 7 printers, originally on a basis of 50,000 copies of a 32-page magazine, with bids running from slightly over \$3,000 to \$5,000. Eventually the contract was awarded to the Editors Press Service, Inc., of New York for the first issue, with five additional issues in prospect at a cost of about \$35,000 per issue.<sup>28</sup>

The first issue of En Guardia was to meet with certain difficulties before finally being published. The State Department became hesitant about the sale of copies of the magazine. Eventually it was decided that no sale would be permitted<sup>29</sup> and all copies of the magazine were distributed free of cost. Because of its high quality, enterprising individuals in Latin America occasionally acquired copies and then sold them on the street.<sup>30</sup> In the second place, difficulties were encountered in clearing the magazine through the Department of State. When the contract was first up, the agency had not been placed under full State Department authority in regard to its projects. An English copy was sent to the State Department and approved, and a Spanish dummy was also cleared. The Coordinator then authorized the publisher to print the magazine.<sup>31</sup> Subsequent to this, how-

<sup>26</sup> Project Authorization approved March 12, 1941.

<sup>27</sup> Nelson P. Poynter to James W. Young, March 7, 1941.

<sup>28</sup> Contract No. NDCar-45, with a memorandum of agreement made on March 24, 1941. The project as authorized estimated the total expenditures for six issues of the magazine at about \$195,000. At this time, however, it was estimated that a certain number of the copies printed would be sold on newsstands; likewise, the size of the magazine had increased and other factors had revised estimates upward.

<sup>29</sup> A letter of John C. McClintock to Don Francisco, June 9, 1941, notified him that the State Department as a matter of policy did not wish copies of En Guardia to be sold (this also applied to "Why We Arm" the first major pamphlet issued).

<sup>30</sup> Editors Press Service, Inc., had been chosen for the printing and distribution of the magazine largely because it was expected to distribute the magazine on newsstands since it was feared distribution by mail would be unsatisfactory; also it had facilities for compiling a mailing list.

<sup>31</sup> Nelson P. Poynter to Don Francisco, July 2, 1941.

# SERVICES TO PUBLIC

## DAILY

**RADIO NEWS**  
*Via shortwave*

## WEEKLY

**OVERSEAS WEEKLY**  
*3 plates sent producing 5,700 copies per week.*

**NEWSMAPS**  
*1,780 per month.*

## MONTHLY

**EN GUARDIA**  
*501,000 per month.*

**POSTERS**  
*Placards, Calendars, La Guerra Ilustrada. 205,580 per month.*

**PAMPHLETS**  
*352,260 per month.*

**COORDINATION COMMITTEES**  
*in 20 Countries*



ever, the Department objected to the Portuguese translation, and it was necessary to reprint that part of the edition. Likewise the Department of State objected to the title "En Marcha"; at the time the United States had not entered the war, and it was felt that this title was too aggressive. "En Guardia" was substituted as much better reflecting the attitude of defense of the hemisphere against outside aggression, and this title was to be used throughout the remainder of the life of the magazine.<sup>32</sup> It was thus necessary to reprint the cover page also. The first edition was submitted to clearance by the Navy Department since it was devoted to Navy activities, and was approved by the Post Office Department for second-class mailing privileges.

Two issues of the magazine were put out in the summer of 1941 under the contract with Editors Press Service, Inc. It was then decided to find a private publisher, largely in order to effect a saving in time consumed in publication and in cost.<sup>33</sup> A new contract was signed on August 20, 1941, with the Business Publishers International Corporation (McGraw-Hill). This company handled further issues of the magazine. Full control over policy and other matters connected with the magazine was retained by CIAA, with flexibility assured by provisions which would allow for increases in the number of copies printed and in other modifications which might seem necessary. The publication period was not established on a monthly basis and contracts were renewed each year, so that En Guardia had a continuous history of publication throughout the remainder of the war.<sup>34</sup>

Circulation of En Guardia was to be rapidly increased in the first year in which the United States entered the war. Eighty thousand copies were printed of the first two issues of the magazine

<sup>32</sup> A letter of Laurence Duggan to John C. McClintock, June 3, 1941 stated that "this will confirm our conversation in which I told you that the Department approved the following title of the magazine heretofore known as 'En Marcha':

For the Spanish edition: En Guardia — Para la Defensa de las Americas.  
For the Portuguese edition: Em Guarda — Para a Defesa das Americas.

<sup>33</sup> Memorandum of John E. Lockwood to the Coordinator and others, July 2, 1941.

<sup>34</sup> According to a statement of Mr. Frank A. Jamieson, two people were important in the development of En Guardia, Mr. Win Lambdin, Philadelphia printing designer, and Mr. Alexander L. Murphy, picture editor. Mr. Lambdin completely restylized the magazine beginning with Issue 4, Volume I (which, incidentally, was stopped on the presses to cover Pearl Harbor), and maintained supervision of design thereafter. Mr. Murphy was responsible for pictorial content and selection.

Many distinguished writers in North and South America such as German Arciniegas, Richard Turner of United States News, Richard Hippleheuser, former editor of Fortune, and David Loth, contributed articles to the magazine.

and 75,000 of the third issue. It then jumped, following Pearl Harbor, to in the neighborhood of 200,000 copies and eventually climbed to over 550,000 copies.<sup>35</sup> The greater number of the issues were printed in Spanish, with sufficient copies in Portuguese issued to fill needs for Brazil and allow some distribution in Europe. A French edition (entitled En Garde) for use in Haiti and elsewhere was issued quarterly.

One of the problems in connection with dissemination of a magazine such as En Guardia was distribution. The magazine reached citizens of the other American republics in two ways: by direct mailing, and by distribution through the coordination committees. To compile a mailing list of any size was a complex problem, and one reason for choice of the Business Publishers International Corporation as publishers was the fact that it possessed a mailing list of some length. As time passed, the original mailing list was taken over by CIAA and received extensive additions under its direction; these names were obtained from the coordination committees, from the United States Embassies, through individual requests sent in in increasing numbers as the magazine became better known<sup>36</sup>, and through the purchase of additional mailing lists from various commercial companies operating in the other American republics.

Further problems were presented in connection with the maintenance of this mailing list on an effective basis. In the first place, duplication of names was a constant danger and required much checking and rechecking. Some names on lists secured from commercial companies included persons and firms now on the Proclaimed List; these of course had to be eliminated. In addition, it was necessary for CIAA to have a mailing list with a great deal of flexibility, for it issued many other publications and pamphlets beside En Guardia, with some of these specialized; that is, the "Inter-American Economic Newsletter" would go to commercial firms and persons in business, while periodicals dealing with public health and sanitation would be of interest mainly to the medical profession. As a result, the establishment and maintenance of the extensive mailing lists required

<sup>35</sup> A condensed table showing the number of copies printed in issues selected from among those of the first three years of the war, indicates the increase of circulation: Volume I, No. 1, 80,000; No. 6, 175,000; No. 10, 225,000; No. 12, 300,000. Volume II, No. 2, 375,000; No. 4, 436,000; No. 7, 484,500; No. 10, 530,000. Volume III, No. 1, 542,500; No. 4, 548,500.

<sup>36</sup> A memorandum by William Phillipson to Nelson A. Rockefeller, July 27, 1942, gives a comprehensive discussion of the mailing list problem.

by the agency, and proper control thereof, was a substantial and continuing task.<sup>37</sup>

The magazine *En Guardia* itself was one of the highest quality magazines printed by United States Government information agencies for distribution abroad during the war. Quality paper was used, and its illustrations (which made up at least 50 percent of each issue) in many cases were in several colors. The subject matter in the early years of the war particularly emphasized the military might of the United States and its ability to organize for war, and other issues depicted successes of its forces on land, sea, and in the air. Every effort was made from the start to present this story as a part of the defense mechanism of the hemisphere, not only for the moment but for the future. As the Allied success in the war became apparent, emphasis was shifted more and more toward subjects having a longer-range value in the hemisphere.

Throughout its history there was some difference of opinion as to the value of *En Guardia*, even within the agency itself. Some persons believed that it was too "exclusive" and too "rich" for the job to be done, and that a publication less costly and with greater public appeal, and more widely distributed, would be a more effective propaganda weapon. Likewise, it was sometimes felt that the materials used in *En Guardia* would remind Latin American publishers a little too forcibly of their own lack of newsprint and other publication materials.<sup>38</sup> Some persons felt that the magazine largely went to the upper classes in the other American republics rather than to the groups from whom democracy should expect its greatest support. On the other hand, it was argued at the start that the United States should only be represented by a high quality magazine, and that to put out one cheap in appearance and of poor quality would make it largely ineffective in view of the fact that other countries were distributing magazines of as good quality as possible. In addition, it was also pointed out that *En Guardia* was aimed at the literate group in Latin America, and that other media would be used to reach the masses; it was also felt by many that the upper classes were in almost all of the other American republics the dominant group, and that it was necessary to work with them for the very practical purpose of winning the war. Comments from the field likewise

were divided, but the Press Division felt that a majority of persons favored use of the more expensive materials.<sup>39</sup> In any case, once the decision had been made early in 1940 to put out a high quality magazine of the same type as *Life*, which had just made its first appearance and had had great success, it was a practical necessity to continue publication on about the same basis.<sup>40</sup>

Associated with the *En Guardia* project was the publication of an "American Newsletter", which was started on October 1, 1941, under contract between CIAA and the Business Publishers International Corporation. This Newsletter was issued bi-weekly, and had the objective of supplying at regular intervals a precise resume of United States events and announcements which affected the interests of the other American republics. It was not planned that this letter would intrude upon the field of any existing news service, but would merely do, in careful and intensive manner, reportorial work which was not ordinarily undertaken by newsmen engaged upon spot coverage of international news. The material was also to be of a character which could be republished as desired.<sup>41</sup> The Newsletter, printed in Spanish and Portuguese, eventually reached a circulation of about 13,000 carefully selected persons in the other American republics.

Another regular service and important operation handled by the Press Division was the furnishing of a daily press and commentary report for regular short wave radio transmission to the other American republics. This news and commentary report was written by the Current News Section of the Department, operating on a 24-hours-a-day, 7-days-a-week basis. At the peak of its operations in the last months of the war, the Division moved some 40,000 words daily on outgoing wires to short wave radio stations in New York and San Francisco; the current average during most of years was from 25 to 30,000 words a day. Most news stories were first written in English, then translated to Spanish and Portuguese, with swift delivery of translations to the

<sup>37</sup> A memorandum from Francis A. Jamieson to Francis Alstock, dated October 14, 1943, noted that "from the many thousands of comments we have received it is apparent that the value derived from presenting a more attractive book than is usually to be found on Latin American newsstands far outweighs the hurt feelings caused by lack of newsprint."

<sup>38</sup> In accordance with shortages, the weight of paper was decreased on occasion and other economies were made.


<sup>41</sup> Francis A. Jamieson to John C. McClintock, August 20, 1941. The letter was to be carefully edited and supervised by the same group of representatives of State Department and CIAA that supervised publication of *En Guardia*. The Department of State approved the Newsletter on August 29, 1941 (Laurence Duggan to John E. Lockwood, August 29, 1941).

<sup>37</sup> A memorandum by William Phillipson to Nelson A. Rockefeller, July 27, 1942, gives a comprehensive discussion of the mailing list problem.

<sup>38</sup> A letter of John Higgins to Francis Alstock, August 30, 1943, notes that he had heard this comment "from a number of Latin Americans."


# OIAA COVERS THE NEWS


 **5:48** White House flash— **PRESIDENT ROOSEVELT DIES**

 **5:49** **RADIO NEWS** flash sent to CBS and NBC, and United Network in San Francisco for shortwave transmission to Latin America, followed one minute later by bulletin in English, Spanish, and Portuguese. Total of 46,000 words sent out in 3 days.



 **7:09** **TRUMAN TAKES OATH OF OFFICE**

 **8:00** **RADIO PHOTOS**—picture of Harry S. Truman taking oath of office sent by telephone to New York for radio transmission to Rio de Janeiro and Buenos Aires.

 **10:00** **GLOSSY PRINTS**—of President Truman airmailed to all 21 Committees in Latin America; other prints sent to G.P.O. for matting and immediate dispatch to Committees.



**MICROFILM SERVICE**—reproductions of entire pages of Washington Post and New York Times sent by airmail to all Committees. Total of 76 pertinent News stories and editorials microfilmed and airmailed in 3 days.

**MATS & PLASTIC PLATES**—illustrated feature stories in this processed form sent to Committees and Latin American publications.



**AIRMAIL FEATURE AND RADIO SERVICES**  
Articles on President Truman sent to Latin American radio commentators and to 1,000 newspapers.

**EN GUARDIA**—on the presses at time of President Roosevelt's death, distribution was held up for insertion of an 8-page illustrated supplement.

**PAMPHLETS**—a short pamphlet was immediately put in preparation giving brief biography of President Truman—sent to Latin America in matted form. A more comprehensive biographical booklet on the new President is also under preparation.

broadcasters an important part in the work in order to meet regular radio deadlines.<sup>42</sup>

News was gathered from many sources.<sup>43</sup> The three major press services — Associated Press, United Press, International News Service — were regularly transmitted by direct wire to the Press Division.<sup>44</sup> It also received the press association radio wire service consisting of all news specially written and condensed for radio transmission. It also obtained from the same sources special services covering the news of Washington City and Government agencies and both Associated Press and United Press made available to the Office their north-bound Latin American reports, a specialized service for Latin American use. The Press Division also obtained through the Department of State and coordination committees favorable editorial comments from newspapers in the other American republics, for inclusion in news broadcasts to make known such press reactions throughout Latin America.<sup>45</sup> In addition, from the Federal Communications Commission the full 24 leased wire service of the Federal Broadcasting Intelligence Service was available. Military news and official communiqués were transmitted to the Press Division by the War and Navy Departments and basic news materials prepared by the Office of War Information were utilized. A number of the more important daily newspapers were received daily. The agency maintained its own news staff in Washington to cover the White House, Department of State, and other Government agencies. On occasion special correspondents and photographers were assigned to particularly important tasks; during the war, for example, a writer and news photographer were sent to cover the Brazilian Expeditionary Force in Italy, and special coverage of the Chapultepec Conference in Mexico City in 1945 was carried out. Interviews with official visitors or distinguished Latin Americans traveling in the United States were a regular feature of the radio news report.

Spot or current news was utilized by CIAA only for short wave, and it received the press services of AP, UP, and INS free or at the cost of transmis-

sion (simultaneously, of course, the radio transmitters such as NBC and CBS were receiving the same press service reports). Unlike OWI, the CIAA Press Division did not distribute spot news abroad, for the press services had roughly two hundred clients for news dispatches and these clients represented the largest newspapers in Latin America. Other newspapers in the area were reached by feature services and pictures; in a few countries which were not served by press dispatches or were inadequately served, the agency appealed to the press services to expand their offerings. In some cases this was done, as for example, in Paraguay, Haiti, and Guatemala, where UP "sold its service at such ridiculously low cost that it amounted to a gift." This had a twofold advantage. Papers in those countries did not have to receive their services from a United States Government agency, and at the same time CIAA did not enter into competition with the press associations. In addition the latter got an opportunity to serve clients who would later be able to pay a reasonable price.

Possibly the most important task of all carried out by the Press Division was its feature service. It was particularly designed to increase in the newspapers of the other American republics articles concerning the United States. It was estimated that before the war all United States feature syndicates combined had never had more than 100 newspaper clients of consequence in Latin America because of the cost of such service. By the end of the war, feature articles put out by the Office of Inter-American Affairs were used by over a thousand newspapers in the other American republics, most of which could not afford the more expensive commercial services. These feature articles (which may be defined as news stories which did not have a time urgency) were written by the Feature Division of the Press Division. These articles were then translated into Spanish and Portuguese for distribution in the other American republics and were then transmitted directly to the editorial desks of newspapers there. Part of the feature materials sent to the other American republics was fully processed, but about 30 to 40 percent was prepared so that it could be rewritten, edited, or adapted to meet local conditions, and this formed a basis for material produced by press representatives working with the coordination committees in the field. Feature materials were particularly well adapted to tell the story of the basic economy and economic de-

<sup>42</sup> Radio operations are covered in the following chapter.

<sup>43</sup> Several memoranda of the Office summarize the work of the Current News Section; an example is that of Harry W. Frantz to Francis A. Jamieson, January 27, 1944.

<sup>44</sup> Arrangement of direct wire service with the press associations was a distinct achievement, since reconciliation of a free news service by CIAA with the obligations of the press associations to supply exclusive services to subscribers was not easy to accomplish.

<sup>45</sup> A letter of the Coordinator to Laurence Duggan on March 18, 1942, requested such service.



# MATTED FEATURES & PHOTOS PLASTIC PRINTING PLATES

# CIAA PRESS

PAPERS AND  
MAGAZINES  
SERVED.....

# 1,267

NOT INCLUDING MANY PROVINCIAL  
PAPERS FROM WHICH REPORTS  
ARE UNAVAILABLE.

# DAILY



AMERICAN GEOGRAPHICAL SOCIETY OF NEW YORK

velopment activities of the agency, and were so used.<sup>46</sup>

Weekly reports estimated average production at between 60,000 and 70,000 words of new feature material with, on occasion when special events such as the Mexico City Conference were taking place, an increase in production to as high as 115,000 words weekly. Distribution of feature materials was carried out through a number of different publications of the Press Division: Inter-American Economic News Letter, Exclusive Feature Service, Brazilian Air-Mail Feature and Radio Service Letter, Special Labor Feature Service, Special Mexican Feature Letter, Special Chilean Feature Service, Calendar of Inter-American Events, Special Magazine Article Service.<sup>47</sup>

Of the above, the Air-Mail Feature and Radio Service Letter was released to about 800 Latin American newspapers and had an estimated circulation of 20,000,000. The Exclusive Feature Service was released weekly to larger metropolitan newspapers. Four of the letters were designed to meet regional needs, going to Brazil, Chile, Mexico, and the Caribbean-Central American area. The Special Labor Feature Service was issued to about 60 labor publications. Magazines of the other American republics received the Special Magazine Service consisting of three articles a week intended for publication in the leading magazines of all countries. In it were included translations of articles selected from leading United States magazines for which reprinting rights had been granted to CIAA.

One problem involved which had to be met in distribution of feature materials was the fact that many Latin American newspapers did not have the equipment to produce their own mats. To meet this, the agency developed a mat service which provided, in addition to the usual written materials, distribution of illustrated feature article subjects in ordinary matted form, at the rate of nearly 33,500 per week by 1944.<sup>48</sup> When metals for casting type became scarce in wartime, the agency developed a mat made of plastic plates which were particularly effective since they could be used directly on the presses of the Latin American newspapers. These also had the advantage of being

light in weight.<sup>49</sup> Other feature articles were microfilmed, a process for news transmission within the hemisphere which was also a pioneer operations of the CIAA Press Department.

In addition to feature services for the press in the other American republics, it was necessary to supply a greatly increased demand in the United States for articles covering inter-American activities. To fill this need CIAA released regularly two domestic newsletters — a Special Feature Letter and an Inter-American Economic News Service — and in addition, a considerable number of special articles were prepared, informing United States readers of current developments in the other American republics, the life of their peoples, and contributions to the hemisphere defense effort.<sup>50</sup>

The written feature articles distributed by the Press Division were supplemented by photographs and cartoons produced both in ordinary glossy print form, and on ordinary or plastic mats. Between 20,000 and 25,000 of the latter, covering both photographs and cartoons, were produced each month by CIAA for hemisphere distribution during 1945, with a peak of 35,000 being reached in April of that year, the month of President Roosevelt's death.<sup>51</sup> News pictures and cartoons were produced by the Graphic and Publications Division of the Press Department. The former were selected from a daily service provided by major photographic syndicates, and from Army, Navy, and other official releases, while cartoons were selected daily from United States newspapers. Photographs of major news events were transmitted immediately by radio photograph services to Rio de Janeiro and Buenos Aires and in one case at least (the invasion of Normandy) radio photographs were transmitted directly from London to the other Americas by an arrangement with the Office of War Information, and were thus available for publication there at the same time that they were released in London. As mentioned

<sup>49</sup> This type of service had been first developed by Germany and had been found both economical and effective. Prior to Pearl Harbor, CIAA had inspired several U. S. Companies to seek to develop a light weight plastic to meet German competition. The need increased as shortages made lead for casting more difficult to obtain and ultimately two or three companies produced plastic plates which were better than the German and light enough to airmail at relatively low cost. The Office was able to print the overseas edition of the New York Times from plastic plates during the latter part of the war in three countries — Brazil, Mexico, and Chile.

<sup>50</sup> It was estimated that (in 1944) 546 full feature inter-American articles, of from 2,000 to 10,000 words each, concerning Latin American activities were known to be published and this figure reflected possibly only 75 percent of the total (Lee Ross to Harry W. Frantz, January 12, 1945). The domestic newsletter services were estimated to reach about 1,500 outlets in the United States.

<sup>51</sup> In December 1941, about a year after this particular service had been started, not over 2,000 such items were distributed per month.

<sup>46</sup> Fred Gardner to Francis Jamieson, October 19, 1943.

<sup>47</sup> As indicated at the beginning of 1944 in a report from Harry W. Frantz to Francis A. Jamieson, January 27, 1944.

<sup>48</sup> Production of mats had its problems; a letter from John M. Clark, then in Chile, to Francis A. Jamieson, August 7, 1942, noted that mat material sent there was too long because papers were going into tabloid size for lack of newsprint. He also reported "unanimous enthusiasm for *En Guardia*; unanimous boredom for the *Economic Newsletter*."

# PAMPHLETS

# CIAA PRESS

SUBJECTS TO DATE (APR. 1944)..... **25**

DISTRIBUTION **5,718,246**

2,363,685

585,830

99,551

59,420

165,080

8,300

94,320

87,370

28,970

11,320

159,220

442,720

105,420

162,620

491,000

270,100

69,121

380,450

87,979

ARGENTINA



LOCAL DISTRIBUTION

earlier, CIAA news photographers were sent to cover certain activities such as the operations of the Brazilian Expeditionary Force in Italy, and other special events.

The Press Division was also concerned with reaching persons in the other American republics who were unable to read, and as a result one phase of its activities was devoted to the reproduction and distribution of posters and placards. Eventually several million of these were distributed in the other Americas through the coordination committees. The use of graphic publicity (posters) apparently was first seriously proposed in April 1942,<sup>52</sup> and developed during the summer with an "Outline of Poster Campaign" presented and approved in August.<sup>53</sup> Posters were of a number of types. An early series inspired by the Atlantic Charter dramatized the "Four Freedoms." Others, of a humorous character and produced by a leading Mexican cartoonist, depicted Axis leaders in various uncomfortable positions in the face of an aroused hemisphere opinion. Still others were designed to emphasize the unity of the hemisphere and of the United Nations in the war. One of the most popular posters, which is estimated to have accounted for nearly one-fifth of the total poster distribution, was entitled "The Americas United for Victory and Progress." It was an almanac-style poster in which the United States and the other Americas were each represented by a soldier, joining hands to build a better world for future generations (represented by a mother and child). Its particular appeal seems to have been that it made an attractive wall decoration of a type which pleased the Latin American masses.<sup>54</sup> Later posters were drawn to focus attention on the war in the Pacific.

Also in the class of poster material were photographs of leading American figures such as President Roosevelt, Admiral Nimitz, General Eisenhower, and General MacArthur. These proved also very popular and were distributed in large quantities by the Poster Committee.

Publication of pamphlets in Spanish and Portuguese was started early in 1941, when it was

<sup>52</sup> Harry Hult to Francis A. Jamieson, April 29, 1942.

<sup>53</sup> Richard H. Hippleheuser to Francis Jamieson, August 18, 1942. He and some others felt that posters could best be produced in Latin America rather than in the United States. Some were so produced, at least in Brazil.

<sup>54</sup> Not all posters were successful. Those somewhat modernistic in character were not understood by the ordinary observer, and were felt not to be worthwhile by many members of the coordination committees. One in particular was estimated to have backfired, because it made the Nazi figure represented a much more dangerous-appearing opponent than was desired.

decided that there was a possibility for wide usage both on the part of special groups and among the general public in the other American republics for particular information on popular topics in a more permanent form than that of the daily newspaper. The first one issued was a collection of speeches by President Roosevelt called "Por Que Nos Armamos." In succeeding years many others were circulated, with 18 pamphlets being printed during the 1942-43 fiscal year.<sup>55</sup> Eventually at least 15,000,000 copies of some 60 pamphlets prepared by the agency were distributed. Many illustrated the progress of the war or were biographical in their nature. For distribution in the United States, a booklet description of each of the other American republics was printed and made available for distribution. The first, on Brazil, appeared in March 1943 and the series was completed by the end of 1944. More than 2,000,000 copies of these booklets were estimated to have been distributed in the United States.

One cartoon strip style booklet, produced in 1943 under the title "Heroes Verdaderos" and depicting the exploits of United States war heroes, proved to be tremendously popular among the children of the other American republics; distribution amounted to over a million copies. Its success was so great that other booklets of the same type were produced later. In general it was found that the most popular pamphlets were distinctly pictorial.

The Publications Section of the Press Division also handled a program of aiding in the printing of books. This activity was designed basically to acquaint all the American republics with each other's literature, and it likewise developed into a medium for increasing the popularity of United States books dealing with the war and its problems. Publishers had been, or were being, assisted in translating more than 100 United States books into Spanish or Portuguese by 1943, and assistance was also being given to English translations of Latin American works.<sup>56</sup>

The Press Division carried out certain other services in addition to actual publication. Its aid in maintaining a supply of newsprint in the

<sup>55</sup> Francis A. Jamieson to the Coordinator, July 26, 1943, reporting upon pamphlet and poster distribution for the 1943 fiscal year. Four of these (18) pamphlets were in English, most of the others in both Spanish and Portuguese. Thirteen additional pamphlets were at the printers at the closed of the fiscal year.

<sup>56</sup> David Loth to John Robey, June 5, 1943. In many ways this was a part of the cultural relations program.

other American republics has already been noted. In addition Press Division officials made every effort to supply information of use to publishers, editors, and correspondents or the United States press, not only in regard to materials on Latin America, but in regard to plans for travel of personnel or inter-American distribution of publications. For example, the Office stimulated and encouraged the New York Times in developing an overseas edition which was well received throughout the American republics, and it also encouraged the development of the Pan-American edition of Newsweek.<sup>57</sup>

One of the most important nonpublication ventures of the Press Division was the advancement of aid in bringing to the United States working

<sup>57</sup> Harry W. Frantz to Francis A. Jamieson, January 27, 1944. Mr. Frantz stated that editors of Newsweek had consulted CIAA in the early stages of the project and that they had aided in arranging priorities for travel of personnel.

journalists of the other American republics.<sup>58</sup> The first of such tours started in November 1942 and eventually some 12 were carried out with about 140 prominent Latin American editors, news writers, and publishers brought to the United States in order to give them an opportunity to gain first-hand knowledge and experience to aid in their writing. At first tours were designed to enable the Latin American journalists to evaluate the United States war production, and emphasized visits to war production plants and naval and military institutions. Later, tours were planned to afford professional and educational contacts through visits to universities and well-known schools of journalism, and in order to strengthen this part of the program, fellowships were awarded to many journalists for advanced study in the United States.<sup>59</sup>

<sup>58</sup> *Hearings, H.R., 1944, Pt. 1, pp. 264-266.*

<sup>59</sup> A sum was transferred from State Department cultural relations funds to aid in this program, as noted later.

## RADIO OPERATIONS

The radio operations of CIAA, as in the case of press activities, were to be carried on continuously from the first months of the Office's existence until transfer of the information program to the Interim Information Service in August 1945. As a continuing operation, no major modification of the organization which handled them was to be made. Also, as in the case of the press operations, radio was one of the larger items in the agency program, with some 125 persons allocated to the Department in 1944.<sup>1</sup> About 35 of these were in Washington and most of the remainder located in New York. The Radio Department also had offices in San Francisco and Hollywood, and a few representatives in the field.<sup>2</sup> Since its operations were continuing, description of functions does not altogether do justice to the volume of the work performed, a common characteristic where departments perform this type of work.

The Radio Division was a part of the Communications Division when the latter was organized in the fall of 1940. Head of the Division at first was Mr. James W. Young, a former advertising specialist. His assistant (within a year to be head of the Radio Division) was Mr. Don Francisco, also an advertising expert who had been associated with the firm of Lord & Thomas.<sup>3</sup> At first the Radio Section operated almost entirely from New York, but as the importance of the psychological warfare program of the Office

was increased in the latter months of 1941, it was decided to shift the administration of the radio program to Washington. This was done late in January 1942.<sup>4</sup> The major part of the production work, however, continued to be carried out in New York, since that city was the center for radio operations in the United States.

In the spring of 1942 the Communications Division (or Department, as it should be styled) was abolished and in its stead was created an Information Department headed by an Assistant Coordinator. The Radio Division, now under Mr. Francisco, was one of the three major divisions of the Information Department. In succeeding years Mr. Francisco became an Assistant Coordinator and head of the Information Division; press operations as noted in an earlier chapter also developed into a Department by this time.

In August 1945 radio operations, together with press and motion pictures, were transferred to the Interim Information Service, to go eventually to the Department of State. In October the Department of State released three of the government short wave broadcasting frequencies so that American press associations could meet the need for sending American news to Japan and the Far East generally.<sup>5</sup>

The situation in regard to radio activities in the Western Hemisphere when CIAA entered the field in 1940 was not particularly promising. Under normal conditions in the United States there were 12 short wave stations broadcasting programs to the other American republics.<sup>6</sup> The 10 stations

<sup>1</sup> This is a small number compared with the 647 doing similar work for the Office of War Information at this time. The Radio Division was able to keep down its personnel because a portion of the work was done by short wave licensees and in the other American republics by coordination committees.

<sup>2</sup> *Hearings, H.R., 1944, Part 1, p. 242.*

<sup>3</sup> Other officials particularly to be concerned with the radio program were Mr. J. W. G. Ogilvie, former Vice President of International Telephone and Telegraph, who has set up radio communications for this concern in all of South America, and Mr. Sylvester Weaver, Jr., who had been a top advertising man in the field of radio for a number of years. Mr. Merlin H. Aylesworth, the first President of the National Broadcasting Company, was Chairman of the Radio Section for a time and then aided as a consultant. Most of the men directing the operations of the Division were experienced in the field.

<sup>4</sup> Don Francisco to Radio Division staff, January 28, 1942.

<sup>5</sup> Department of State Press Release No. 792, October 22, 1945.

<sup>6</sup> Some statements of the period indicate 11 stations, others as many as 14. Mr. Francisco reporting to the Coordinator on April 16, 1941, enumerated them as follows: CBS, two stations; Crosley Corporation, one station; General Electric Company, three stations; NBC two stations; Western Electric and Manufacturing Company, two stations; World Wide Broadcasting Foundation, two stations.

owned by commercial interests were operated at a loss, while the two operated by the World Wide Broadcasting Foundation were financed by private subscription. Little or no profit incentive existed, and the six companies which were in the field commercially were there largely because they hoped at some future time to put their operations on a paying basis. United States stations were operating with much less power than European-owned radio units, and the government-operated stations in London, Berlin, and Rome also had superior equipment. Equally important was the fact that stations in London and Berlin covered the more densely populated areas of South and Central America with a series of narrow beams of not more than 6° in width, while the narrowest American beam was 20° and others were as wide as 60°. Thus, with no coordination of physical equipment, and each United States broadcasting company attempting to cover all Latin America from Western Mexico to Eastern Brazil, even with power equivalent to that of European stations, those of the United States delivered a weaker signal.

Another factor that was to hamper the radio program in early days was the lack of radio receiving sets in the other American republics. This was to make radio programs reach only a comparatively small part of the population of Latin America, although it was true that the group owning radios probably had greater political strength than any other. Quite early the Coordinator's Office found that the only practical way to reach a large audience throughout the hemisphere was by having the United States programs transmitted over local stations. This was to be an essential part of future operations; in many cases re-broadcasting could make available programs originally transmitted from the United States by short wave.

In regard to the programs, there was much also to be done. News broadcasting consisted largely of monotonous reading of dispatches without editing in advance, since most broadcasters in Latin America had never had editorial training. Entertainment talent for feature programs was scarce since most countries had no theater or movie industry, and there were many difficulties in regard to both language and local custom to be met in each area.<sup>7</sup> One of the first efforts of CIAA was to examine possibilities in the field. Two public opinion surveys on a small scale were carried out,

<sup>7</sup> From an interview with Guy C. Hickok of the Radio Division, as recorded by W. O. Inglis.

and according to these it was found (somewhat to the surprise of the testers) that Latin Americans preferred the United States radio short wave programs to those of Europe even though reception was much poorer. The same finding was obtained also in a checking of fan letters. This was considered due to the fact that quality of programs produced in the United States was better, and that no propaganda was included. With the idea of planning an intensive radio program, Mr. Francisco started on a three-months tour in the field early in 1941.<sup>8</sup>

Even earlier, however, certain activities had been started by CIAA. In September 1940 officials decided to get in touch with Mr. Walter Lemmon, head of the World Wide Broadcasting Foundation, in order to negotiate for possible use of facilities for occasional broadcasts before the main program was organized.<sup>9</sup> Somewhat later it was decided that the station of this company was not powerful enough for the purposes desired, and even though World Wide had appealed to CIAA for aid, it would be unwise to spend money in this way at the time.<sup>10</sup> In the early period the International Telephone & Telegraph also had offered its facilities to CIAA for broadcasting radio programs in the other American republics,<sup>11</sup> and even this early, officials of CIAA were considering the possibility of formation of a single company which would be able to increase power until it could compete in power and quality with Axis radio stations. Before Mr. Francisco left for South America, he had called a meeting of short wave broadcasters in New York in early November and informed them that it would be necessary to improve reception of programs in the other American republics before substantial aid could be advanced by CIAA. Committees were appointed to study the matter and had taken it up with the Federal Communications Commission.<sup>12</sup> The Executive Committee was informed in later meetings that the broadcasting companies had been working on plans with the possibility in mind of simultaneous broadcasting of programs to give greater coverage.

The World Wide Broadcasting Foundation, the only non-profit company operating, continued to experience difficulties and again appealed to the Coordinator for aid in December 1940. After discussion, the Executive Committee decided that a

<sup>8</sup> His conclusions were presented April 16, 1941.

<sup>9</sup> Minutes of Executive Committee, September 18, 1940.

<sup>10</sup> *Ibid.*, November 13, 1940.

<sup>11</sup> *Ibid.*, September 26, 1940 and October 18, 1940.

<sup>12</sup> *Ibid.*, December 11, 1940.

certain amount might be granted to the company to carry it for the next few months, until a program was worked out, under provision that the Foundation would meet conditions imposed by the Office.<sup>13</sup> Meanwhile, the agency had taken under consideration another possible means of furthering the radio program. In January, it was proposed that a fairly extensive advertising program should be started in the Latin American papers listing the stations carrying United States programs and the time of news broadcasts. In order to avoid any suspicion of government influence on news it was proposed that this program be utilized to advertise radio sets, with the possibility that radio companies themselves might pay for the program.<sup>14</sup> Twenty-five thousand dollars was authorized for possible use on this program, and there was some planning to see if it could be tied in with an extensive travel advertising campaign which was under consideration at this time. This plan seems to have developed into an even more ambitious idea, which the Coordinator was to pursue for the next several months but which was never to come to fruition because of shortages of necessary materials. This idea was the distribution throughout Latin America of large quantities of cheap radio sets in order to increase the audience for United States programs.<sup>15</sup> The idea was approved in the State Department and then considered in connection with allocation of strategic materials to Latin America.<sup>16</sup> For a time it was thought possible by the War Production Board that necessary priorities might be granted for the radio sets if done over an extended period, but eventually the plan was abandoned.

A radio news program was authorized in April 1941, when a project was approved for the expenditure of not over \$50,000 for daily news broadcasts in southern South America for a period of several months. The broadcasts, to be prepared from United States press association news by CBS, was to be sent by American Telephone and Telegraph Corporation radio telephone to the other American republics. There it would be picked up by the International Telephone and

Telegraph Company and distributed by it for broadcasting over a network of local long and short wave stations.<sup>17</sup> It was explained that the unusually low cost of this project was due to the willingness of the companies concerned to absorb a good part of the cost.

Certain difficulties were encountered in carrying out plans for news broadcasts, for the agency had not yet been able to arrange a contract with the major press associations for a regular wire service because of their other commitments. Eventually services were secured, and the radio news program was to be maintained as a regular feature throughout the remainder of operations.

By the summer of 1941 the financial straits of the World Wide Broadcasting Foundation were such that it would have gone off the air if aid had not been granted. Since it was essential that one-sixth of the then total United States short wave potential should not be lost, a contract was signed between CIAA and that company to take effect July 31, 1941, and to run for one year, with a total of \$200,000 paid for 700 hours of broadcasting "to promote better relations and to strengthen the bonds between the American republics."<sup>18</sup> The Foundation agreed to maintain a responsible editor who would be satisfactory to CIAA and the contract could be cancelled by notice of the Coordinator on a 60-day basis. Some difficulties were to occur in succeeding months in connection with the operation of Station WRUL of World Wide, including selection of the proper individual to head programs and certain problems of financing.<sup>19</sup>

The Coordinator was to find a competitor in the field of dissemination of information in a new agency created by the President on July 11, 1941. This was the Office of the Coordinator of Information. While it was apparently not intended for COI to supersede or duplicate any other government agency, in the fall certain jurisdictional differences arose between it and CIAA. The development of this problem is discussed in a later chapter;<sup>20</sup> it is sufficient to say here that CIAA appealed to the President for a clarification of the situation and was granted full responsibility for the hand-

<sup>13</sup> The Executive Committee authorized a grant to the World Wide Broadcasting Foundation of \$10,000 in the early part of 1941 to keep it alive for the time being (Minute, February 12, 1941).

<sup>14</sup> Minutes of Executive Committee, January 15, 1941.

<sup>15</sup> In a meeting of July 31, 1941, the Executive Committee was told that the radio industry would provide 850,000 radio sets (normally retailing from \$8 to \$10 per set) for distribution throughout Latin America.

<sup>16</sup> A letter of Nelson A. Rockefeller to M. H. Aylesworth, January 7, 1942, noted that the former had seen Under Secretary of State Sumner Welles and that the latter was enthusiastic over the "defense radio set program."

<sup>17</sup> Minutes of the Executive Committee, April 23, 1941.

<sup>18</sup> The idea had been approved by the Department of State in a letter of Under Secretary Sumner Welles on June 26, 1941; the Coordinator formally advised Mr. Welles on July 17, 1941, that the contract had been signed for this purpose.

<sup>19</sup> Minutes of Executive Committee for August 19 and 26 mentioned reports on starting investigations of the financial and organizational set-up of Station WRUL. On September 9 the Committee heard that the report on the Station was quite favorable, but that it was still necessary to find a man to take charge of the broadcasting programs.

<sup>20</sup> Chapter 16.



ling of information in the other American republics.<sup>21</sup> The Coordinator of Information retained jurisdiction over short wave broadcasting to other parts of the world. With the matter of authority clarified in regard to short wave broadcasting, representatives of the two agencies then worked out a plan for operation, by which all copy prepared by both would be cleared through a single office representing all six broadcasting companies. Material prepared by each agency could be used by the other for broadcasting in its own area, if it was so desired. The time was divided between the two agencies on a basis of one-third for CIAA and two-thirds for COI, with the former utilizing the hours between 4 p.m. and midnight. In negotiations for time with the broadcasting stations, the entire broadcasting programs scheduled by the two agencies were submitted jointly.

The accomplishments of CIAA in the radio field in the period preceding the outbreak of war were particularly in the field of coordinating and aiding the efforts of the private operators. To improve programs the six companies established a central office for the editing and translating of news items.<sup>22</sup> In addition, the agency had done everything possible to encourage the improvement of programs and took credit for a wide increase in the transmission of the better United States features to the other American republics. CIAA also encouraged NBC and CBS in forming local affiliate chains in Latin America, with NBC making contracts which resulted in a network of some 125 local stations. CBS contracted with some 74 local stations in the same way. These stations rebroadcast the programs received from the United States by short wave from NBC and CBS. The agency also, in substitution of its original plan of using advertising to list programs, now published regularly complete consolidated program listings of all of the six United States broadcasting companies. These were put out separately in three languages (English, Spanish, and Portuguese) to be distributed in bulk by air express to important cities and by mailing lists to listeners. Efforts were also made locally to obtain publication of the program listings in the press.<sup>23</sup> Power for the United States stations was also increased to a minimum of 50 kilowatts during this period, and CIAA techni-

<sup>21</sup> See chapter 16.

<sup>22</sup> The "Coordinator of International Broadcasting" (Mr. Stanley Richardson) represented the private companies. It was through his office that CIAA and the Coordinator of Information transmitted their programs.

<sup>23</sup> The coordination committees formed in the fall of 1941 served as the field organization for radio just as they did for press operations.

cians were interested in all possible improvements of equipment for the program.

In the summer of 1941 the Coordinator foresaw the need of an intensive study of communications facilities of the hemisphere and made a proposal to the President for an examination of such facilities in connection with the national defense program and long-term needs. On September 24, 1941, he received a letter from the President as follows:

MY DEAR MR. ROCKEFELLER: I have considered carefully your recent proposal for an examination of the problem of communications in relation to our Hemisphere defense program and our long-term plan for carrying forward the Good Neighbor Policy. It is my feeling that this matter can be best handled at this time if you will assume the leadership in calling together representatives of the interested Government agencies to serve as an informal interdepartmental committee in giving joint study to the following:

1. The extent of existing facilities for communication by radio, cable, telephone, telegraph, and allied media in the American Republics.

2. The adequacy and the need for further development of such facilities in order to create a communication system designed to meet most effectively the needs of the Americas.

3. The policies which should govern the relationship of the Government toward a program designed to develop a more effective communication system among the American Republics.

Representation on your committee should be secured from the Department of State, the Department of Commerce, the Economic Defense Board, the Federal Loan Agency, the Defense Communications Board, and the Coordinator of Information. The Federal Communications Commission, which is represented on the Defense Communications Board, has for some time been studying international communication facilities and can undoubtedly provide much of the basic information required for the study. I am addressing a separate letter to Commissioner Fly to inform him of my interest in this matter and to request his cooperation.

I shall be happy to receive whatever recommendations for further action may arise from the deliberations of this committee.

Sincerely yours,

(s) F. D. R.

Honorable NELSON ROCKEFELLER,

*Coordinator of Inter-American Affairs.*

The committee started its work shortly afterward; before its report was prepared, the United States had entered the war and the need for adequate communication facilities was more apparent than ever. In its report the committee recommended the coordination of all existing short wave broadcasting facilities in the country and that further technical development be made as soon as possible. The need for government backing to finance costs was recognized.

The problem which brought about a need for coordination of the broadcasting facilities was the

fact that, for commercial reasons, licensees were programming stations in accordance with what was considered most favorable to their particular interests. The result, for Latin America, was a very haphazard programming situation on a three-language basis and with coverage very inadequate for many areas, since most commercial advantages lay in direction of programs to the heavily populated areas of Eastern South America. Some difference of opinion had been found between CIAA and COI over subsidization of stations, with the former interested in subsidizing possibilities while the latter felt that lease of the stations should be on cost basis. Nevertheless, the two agencies got together and presented a joint request to the President for authority to carry out negotiations with the short wave operators for the leasing of all or part of existing facilities, and likewise requested authority to make arrangements for additional short wave transmitters to care for the increased program in prospect.<sup>24</sup>

In the spring, CIAA faced a new danger in regard to its entire information program. This was the prospect of placing all such activities of the United States under a single agency. Mr. Rockefeller again defined the values of his program in the other American republics and, with the backing of the Department of State, succeeded in maintaining jurisdiction over this field when the Office of War Information was established on June 13, 1942.<sup>25</sup> This new agency continued to work in conjunction with CIAA in negotiations for the leasing and construction of short wave broadcasting facilities. In the summer of 1942 an Interdepartmental Planning Committee for International Broadcasting Facilities, made up of the Director of OWI, the Coordinator, and a member of the Federal Communications Commission, was established to work out a program. This Committee recommended that the number of short wave transmitters be increased from 14 then in existence to 36, and this decision was approved by both the Board of War Communications and the FCC. An agreement between OWI and CIAA provided that the former would assume the responsibility for the expansion of short wave broadcasting facilities, although CIAA would receive a share of time when this was done.

A contract was signed shortly afterward with the six broadcasting companies effective Novem-

ber 1, 1942.<sup>26</sup> These contracts were renewable from year to year and eventually extended to June 20, 1946.<sup>27</sup> Two-thirds of the time leased was allotted by agreement to OWI and one-third to CIAA, and payment for facilities were in the same proportion.<sup>28</sup>

The first problem to be settled was distribution of short wave broadcasting by language patterns. In working out details of the plan, it was found that there was not sufficient suitable broadcast talent in the United States to permit both NBC and CBS to program in Portuguese a full 8 hours to Brazil. Arrangements were made whereby the two companies would each use one transmitter on Brazil, with each taking a set portion of the available time. In this way it was possible to concentrate all Portuguese talent and provide a better service than had been done in the past. Under this plan 10 stations programmed in Spanish and two in Portuguese. In addition, the Coordinator had been able to work out with OWI a plan for the former to purchase the studio and studio facilities of Station KGEI in San Francisco. Since there was much less Portuguese and Spanish talent available in the west, and because it would have been expensive to transmit programs from the east coast to the west, it was decided to utilize the west coast stations for broadcasting in English.<sup>29</sup> The principal shows from the major United States local networks were transcribed and the commercial announcements deleted through permission of the sponsors of these shows. This made available to the listeners of these stations the best type of radio entertainment produced in the United States. These stations were beamed particularly to reach United States military forces and other personnel in the Canal Zone and the East Coast Brazilian bases.

The Spanish language service was allocated so that adequate coverage was given to the three major areas—the east coast, the west coast, and the Caribbean and Central American region. The network system which had been developed was followed so that specific stations in each country

<sup>26</sup> For a time the World Wide Broadcasting Foundation refused to accept the contract, holding out for higher compensation.

<sup>27</sup> In 1943 OWI and CIAA requested changes in the language of their appropriations so that they could protect the broadcasting corporations from possible program damage suits, since the government was now doing the programming instead of the private operators.

<sup>28</sup> This arrangement covered any new transmitters developed, as well as those in operation.

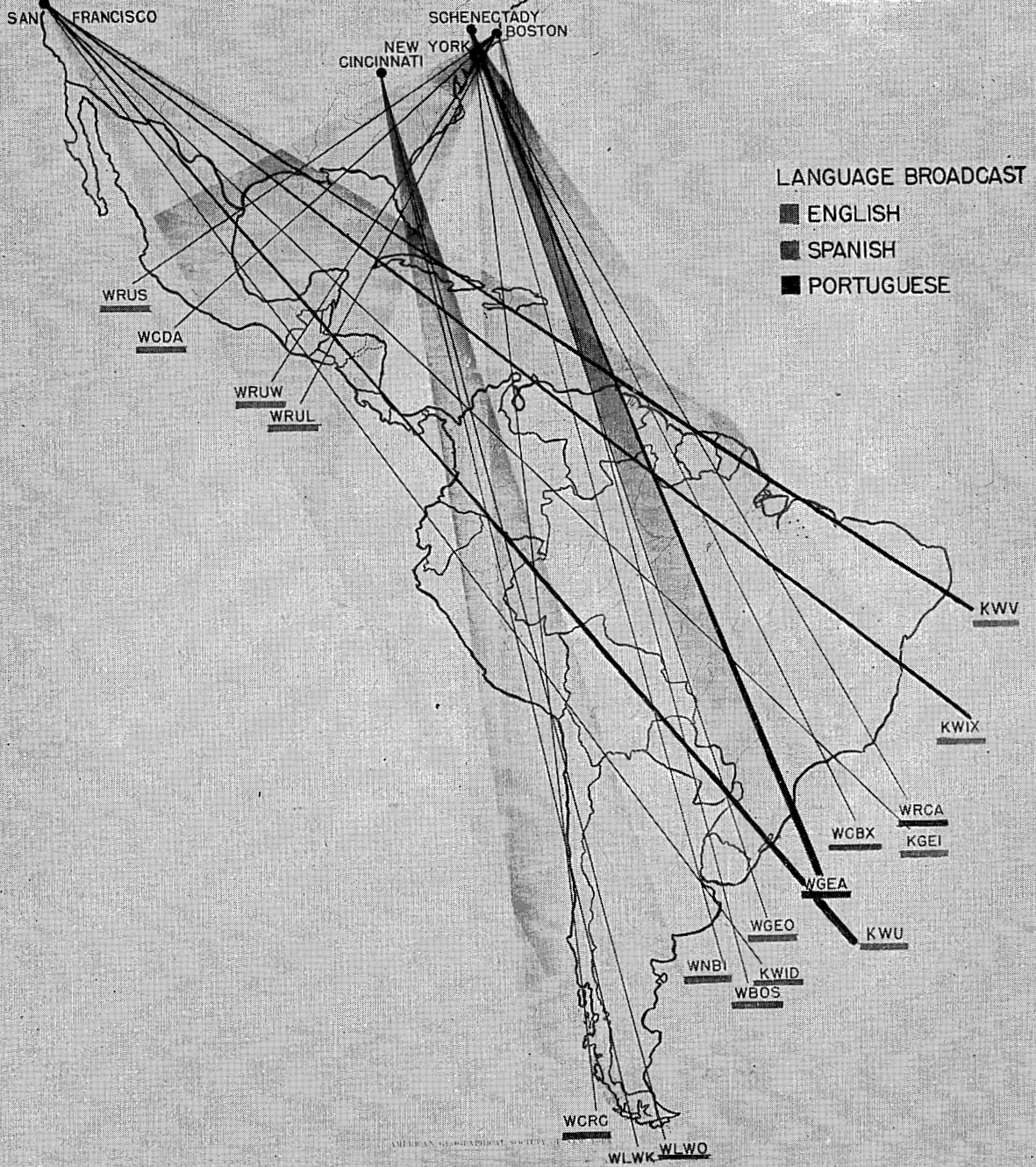
<sup>29</sup> Radio Division Report on International Short Wave Broadcasting, December 28, 1942.

<sup>24</sup> Draft memorandum of February 28, 1942, to the President from William J. Donovan and Nelson A. Rockefeller.

<sup>25</sup> See chapter 16.

# U.S. SHORTWAVE PROGRAMS APRIL 1944

## CIAA RADIO



were available for the rebroadcasting of the short wave broadcasts from the United States.

In the first year of Government operation, CIAA working with NBC and CBS produced from the studios of these companies all Spanish and Portuguese language programs sent out. This plan assisted the two networks in maintaining their commercial identities, as a complete Spanish and Portuguese language service was offered by each. This was desirable, as both licensees had established affiliation with local radio stations as noted above.<sup>30</sup> At the end of the first 6 months of operation, however, it became apparent that more frequencies in transmission were necessary to provide better coverage and signal strength. Since additional transmitters were not becoming available, it was decided to discontinue individual programming by NBC and CBS, and on July 1, 1943, CIAA abandoned the dual program service in Spanish to reallocate existing transmitters to give better coverage for a single program schedule.<sup>31</sup> The multifrequency set-up provided allowed simultaneous broadcasting of the same program in the same language by teams of short wave transmitters. The radio listener at any station in the other American republics was able to select from several frequencies, choosing the one which was clearest at the particular time of day which he desired. Affiliate stations also were enabled to pick up short wave programs for rebroadcasting to local audiences on a much better basis than before.<sup>32</sup>

Contracts drawn up by CIAA (and OWI) in connection with short wave broadcasting covered the use of all transmitting facilities and the actual production of the basic programs by the broadcasting companies, including the writing of scripts and announcing.<sup>33</sup> They also covered the purchase of station time in the other American republics for rebroadcasting of the more important programs by station networks associated with NBC and CBS.<sup>34</sup> While CBS and NBC under the

<sup>30</sup> John W. G. Ogilvie, "Inter-American Radio" in Radio News, May 1945. This article is one of the best summaries of the inter-American radio program of CIAA available.

<sup>31</sup> Notice of this plan was given in a letter of Nelson A. Rockefeller to Elmer Davis, May 4, 1943.

<sup>32</sup> A mimeographed statement on "Short Waves and the CIAA Coordinated Plan" by J. M. Larson, December 24, 1942.

<sup>33</sup> A summary of short wave facilities contracts was contained in a Radio Division Operating Procedure Directive No. 4, December 15, 1942.

<sup>34</sup> Contract costs for 1944 with the large companies are estimated at about \$2,000,000. Additional costs were incurred for wire services used in carrying out point-to-point broadcasting, supplied by American Telephone & Telegraph, International Telephone & Telegraph, and the Radio Corporation of America Communications, Inc.; these amounted to about \$300,000 for the 1943 fiscal year but were later reduced about \$75,000 per year by 1945 (Budget Estimates for 1943 and 1945).

contract did the writing of scripts, final authority for all programming rested with CIAA. Regular content directives were issued by the agency on a daily basis, with additional directives for special types of operations.<sup>35</sup> In working out such content directives CIAA maintained close liaison with the State Department in regard to its radio operations and was in regular contact with the Office of War Information on general policy and with the Army and Navy in regard to military affairs. These directives were also sent to the coordination committees, where control could be fully exercised through the Embassies.<sup>36</sup> Operating procedure was also directed throughout the entire CIAA radio organization by a series of numbered directives. Examples of these are: Operating Procedure Directive No. 3, December 16, 1942, which informed all operators that it had been decided not to allow sponsorship of programs by advertisers, since much material had been received under a definite understanding that this would not be done; Operating Procedure Directive No. 8, April 30, 1943, which gave directions for an emergency plan of operations by OWI and CIAA in case of an event of great world significance; and by Operating Procedure Directive No. 11, May 21, 1943, which gave directions for the preparation of project authorizations.

Five methods were utilized for reaching radio audiences in the other American republics. The first of these was short wave broadcasting by powerful stations in the United States which could be picked up directly by those persons in the other American republics having short wave receiving sets. A second method was by rebroadcasting of these short wave programs by local stations, which was a regular plan followed by the networks affiliated with NBC and CBS. A third method was by use of commercial point-to-point delivery of special programs to local stations for rebroadcasting. A fourth method (utilized very widely) was the sending of transcriptions of all types of programs to the local stations for their use. Finally, under the direction of the coordination of committees, programs were produced locally in areas where facilities were available.

Turning to the types of programs presented, one of the major operations of the Radio Division was

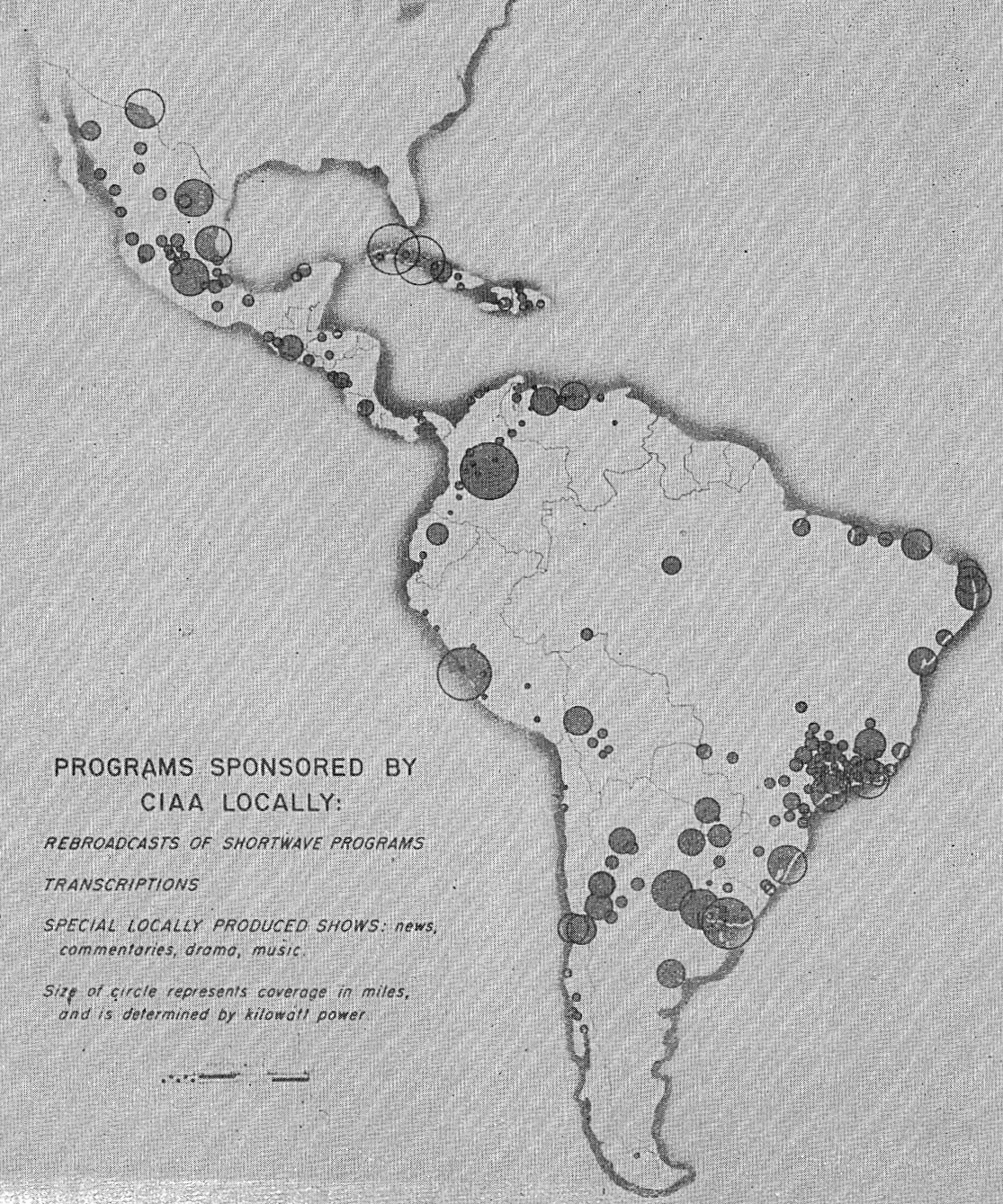
<sup>35</sup> Radio Division Operating Procedure Directive No. 1, December 1, 1942, also noted that CIAA maintained final authority for all programming to prevent unnecessary duplication, to get the maximum audiences for programs of political significance, and to permit the two companies to fulfill their obligations to their affiliated stations in the other American republics.

<sup>36</sup> Don Francisco to John Drier, December 29, 1943.

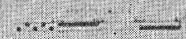
# OIAA RADIO

OFFICE OF INTER-AMERICAN AFFAIRS  
MAP OF 1945  
1000000  
2-45 LOCAL RADIO STATION KAY BALLOON  
CIRCLE FOR COUNTRY CODE  
USA 1-2-4-4 LOCAL STATION 1-1 BUDGET 1945

## LOCAL RADIO STATION COVERAGE



**PROGRAMS SPONSORED BY  
CIAA LOCALLY:**  
*REBROADCASTS OF SHORTWAVE PROGRAMS*  
*TRANSCRIPTIONS*  
*SPECIAL LOCALLY PRODUCED SHOWS: news,  
commentaries, drama, music.*  
*Size of circle represents coverage in miles,  
and is determined by kilowatt power.*



the broadcasting of news, at regular intervals. The gathering and writing of news scripts used was performed by the News Section of the Press Division. That part of the Radio Division in charge of news then acted as the contact agent with the broadcasting companies, aiding also in employing able commentators in the several languages to present the news. Under the contract with the broadcasting companies, CBS and NBC had the right to adapt scripts supplied by CIAA so long as general directives were followed. At first there was some friction over this, particularly with CBS (NBC in many cases from the start used scripts supplied verbatim), for this company was somewhat concerned over loss of identity in view of its commercial interests in the postwar period, and also because it had a fear that its independence in handling news might be affected.<sup>37</sup> No real difficulty was encountered in this regard, however, and differences were reconciled within a comparatively short time.

Types of news programs and commentaries presented are represented by the broadcasts of Roberto Unanue, the program "Alejandro Sux Habla," and "La Marcha del Tiempo" (modeled somewhat after the "March of Time" program in the United States). News programs in Portuguese for special use in Brazil were also developed, with prominent Brazilian journalists employed by the Office to adapt the news to the particular needs of that country. In news programs every effort was made to maintain right-of-way and under general agreement no other type of program was allowed to take the regular period assigned to news broadcasts. Feature shows which were arranged by the Radio Division covered all types of entertainment. Important political events in the United States were covered by special arrangement, and interviews were arranged with visiting dignitaries from the other American republics. Many dramatic shows were presented, also serial features of various types, such as "Estamos En Guerra" which depicted various aspects of the war effort. In addition there were musical programs and sports event presentation. Great emphasis was laid on programs which would stress the friendship of the countries of the hemisphere and the values of democracy, and due attention was given to recording the exploits of the great men of Latin America.

<sup>37</sup> A number of letters in agency files comment on this problem in the first months of the contract. Apparently also personality factors entered into the matter.

Many problems had to be met and conquered in the working out of the above programs. For example, it was always difficult to find the proper talent in the United States to present shows in Spanish and Portuguese. Comparatively speaking, few Latin Americans had the needed training in radio diction, and it was necessary to meet the problem of differing dialects in different parts of the hemisphere. In many cases shows sent by short wave were not always effectively received in the other American republics because of atmospheric conditions; it was not always possible, however, to send these same shows by transcription for rebroadcasting later because, if topical, the several weeks' delay in presentation in the other American republics would cause almost a total loss of value. The use of transcription in the radio program was very extensive, in regard to those feature shows where the time element was of no consequence.

The use of recordings was particularly valuable in regard to musical programs; and the Radio Division prepared and dispatched to the coordination committees a great quantity of recordings of all types of music, ranging from opera and symphony to popular recordings. For a time at least there seems to have been some lack of censorship in regard to some transcriptions. Programs previously short waved, of course were passed in that process by the short wave censor. Shows produced for transcription only and shipped direct, however, were for a time passed only by a customs inspector; eventually, however, this was brought up by CIAA and arrangements were made for necessary check by the Office of Censorship.<sup>38</sup> In addition, many blank records were sent to the coordination committees for local use, as well as all types of necessary equipment. Transcriptions dispatched were normally reported in advance to the coordination committees through the Department of State so that programs could be arranged prior to the time of their arrival.

In addition to recordings, the Radio Division used microfilming processes extensively to transfer scripts of all types to the coordination committees for use of this material in the production of local shows. Incidentally, the significance of the coordination committees in regard to the radio program must be borne in mind, since they served as the field agents (with the aid of some radio represen-

<sup>38</sup> Letter of Guy C. Hickok to Russell Pierce, September 11, 1943. At this time it was found that some 500 uncensored programs had been shipped that year.

tatives sent by the Division) for all operations connected with local production of the radio program, and in addition gave all possible publicity to the programs sent direct from the United States.

In addition to radio operations directed at the other American republics, the Radio Division was concerned with audiences in the United States. The objective of this part of the Division was to attempt to create a vigilant, informed public opinion in support of the policies of the United States in hemisphere affairs, and in doing this it tried to educate the public about the other American nations and to create an appreciation of the part which the latter were playing in the war.<sup>39</sup> In the case of audiences in the United States, however, the Office did not carry out direct broadcasting but worked through the regular commercial programs of the country. The four main operations in the United States Section were recognized as: (1) Commercial Program Cooperation; (2) Network Sustaining Program Cooperation; (3) Local Station Program Cooperation; (4) Program-Production.<sup>40</sup>

In regard to commercial programs representatives of CIAA got in touch with advertising agencies and artists to gain their cooperation in using material of a Latin American flavor and direction. For example, at one time the Coca Cola program saluted a different Southern Republic each week. In the case of network sustaining programs, CIAA radio men maintained liaison with the four major United States networks, keeping informed in regard to all shows which were Latin American in content and attempting to increase the number of attractions of this nature, add to their effectiveness, and supply materials for the use of shows and artists. In the field of local station programs, a representative of the agency tried to maintain contact with local station operators, to aid them in regard to use of appropriate materials, and to make known to them the objectives of the CIAA program. The program production unit supplied the first three units of the radio organization named above with materials for their use.

The Radio Division, with the Motion Picture Division of CIAA, made a limited use of a subsidiary corporation in its operations. This was

<sup>39</sup> Sylvester Weaver, Jr., to Frederick A. Long, February 23, 1942.

<sup>40</sup> Frederick A. Long to Walter H. C. Laves, March 20, 1942.

Prencinradio, Inc.<sup>41</sup> a nonprofit membership corporation organized under the laws of the State of Delaware on July 20, 1942. All members, directors, and officers were employees of CIAA and served without compensation from the corporation itself. It was formed, according to Mr. Rockefeller, "in order to develop and encourage public sympathy with our war objectives on the part of the people of the other American republics . . . through the development of existing media of communication and the creation of new facilities."<sup>42</sup> The existence of this corporation was kept secret, under agreement with the Department of State, until an item about it was printed in 1944.<sup>43</sup>

The main project in connection with radio operations carried out by Prencinradio was an attempt to expand radio facilities in Uruguay in the dissemination of information tending to encourage friendly relations with the United States, and to combat Axis propaganda detrimental to the war effort. The plan involved purchase of a radio company (Sadrep Limitada), certain real estate, buildings, and equipment, and financing radio production. Many problems developed in carrying out the main project, arising from difficulties in clearing equipment through the Uruguayan customs office, lack of available experienced men in the field for both construction and operations, and political factors. These prevented it from being carried into successful operation. Eventually the corporation disposed of its interests, with its projects in process of liquidation by 1945.<sup>44</sup>

The Radio Division also had its part in the training program, bringing to the United States directors of radio stations, radio engineers, and artists to study techniques and dramatic art. Cooperation with radio interests of the United States made it possible for these visitors to observe the work of major networks and independent stations, the recording companies, television studios, radio manufacturing plants, and transmitters. This phase of the operations was of particular significance because of the shortage of skilled radio technicians in the other American republics.

<sup>41</sup> The name was a combination of the Spanish words, *prensa*, *cinema*, and *radio* to indicate its operations in the information field. See Chapter 5 for further information.

<sup>42</sup> Nelson A. Rockefeller to Harold D. Smith, June 18, 1942.

<sup>43</sup> Wall Street Journal, May 18, 1944.

<sup>44</sup> Hearings, H.R., 1946, pp. 591-2.

## MOTION PICTURE OPERATIONS

The Motion Picture Division of CIAA was organized to employ motion pictures as one of the three main media in its information program. In all probability motion pictures, particularly those originating in the United States, provided the most direct approach to the widest audience in the hemisphere, with this being particularly true in the other American republics because of the high rate of illiteracy. In addition, motion picture activities were in a favorable position from the start, for while Axis films presented some competition, in general the technical excellence of those prepared in the United States gave them a definite advantage. Motion picture operations of the agency were to be likewise exceptionally successful because of a high degree of cooperation on the part of the industry. It was also to be a medium very useful in furthering other aspects of the CIAA program, for films dealing with health and sanitation activities were widely used both as a means of popular education and for training purposes. The education divisions of CIAA also utilized motion pictures as a tool. Finally, it was just as successful in the propaganda field.

The first motion picture unit was set up with the establishment of the Communications Division in October of 1940. At that time Mr. John Hay Whitney, who had long been interested in motion picture activities and had pioneered in technicolored film production (he had backed "Gone With the Wind"), was appointed head of the Motion Picture Division.<sup>1</sup> This unit remained one of the three major subdivisions of the Communications Division (or Department) until the latter was abolished, and then was given the same status in the Department of Information which had been created to take over the information

<sup>1</sup> Mr. Whitney was at the time also Vice President of the Museum of Modern Art and President of its Film Library. His services were donated to the government on a dollar-a-year basis (Press Release No. 2, October 9, 1940).

program. Here it remained throughout the rest of the war; unlike the Press and Publications Division, the Motion Picture unit never assumed the status of a separate department. In August 1945 it was transferred to the Interim Information Service along with press and publications and radio operations.

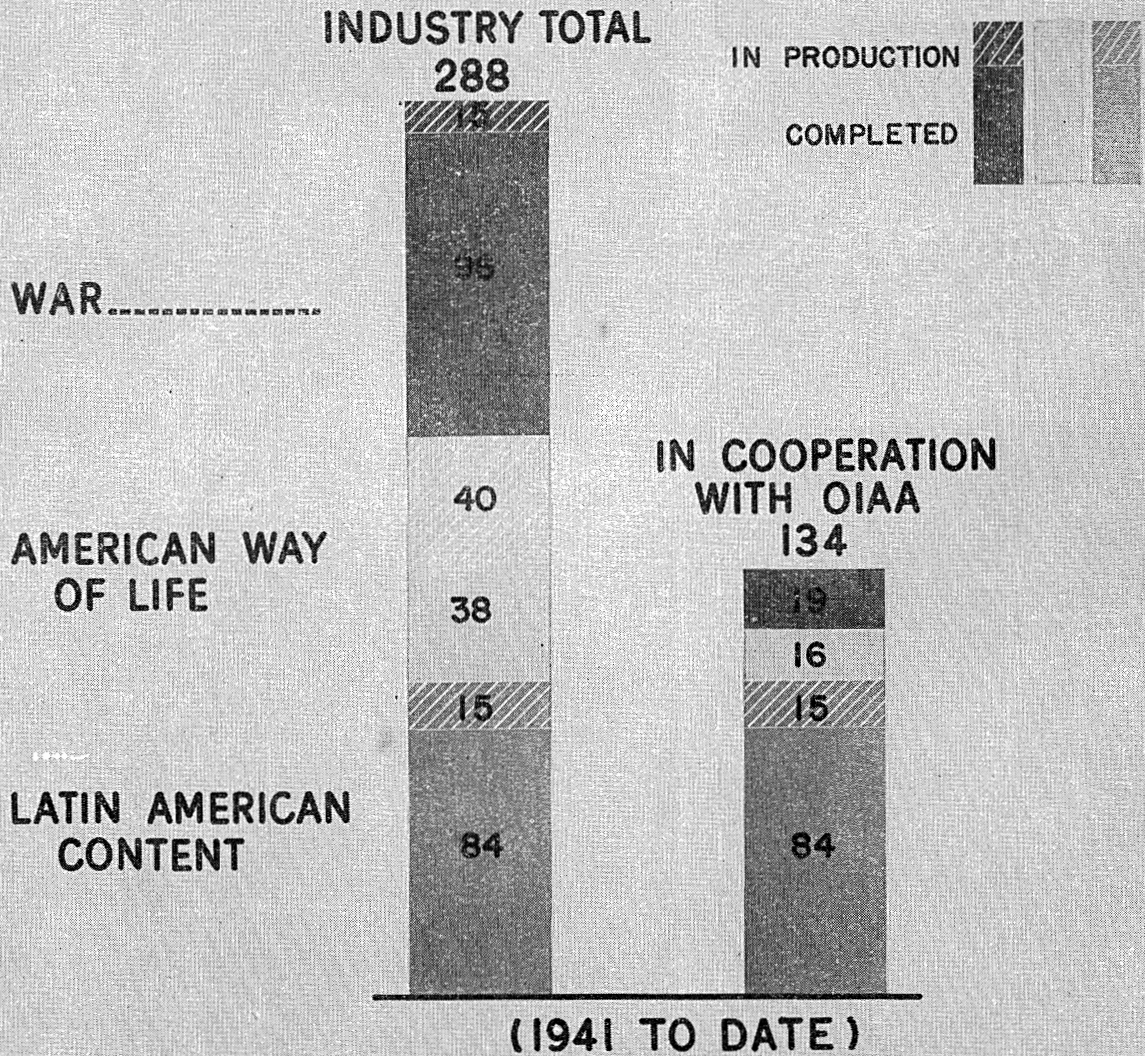
The Motion Picture Division was able to operate with less personnel than either Press or Radio, largely because most of the work beyond planning and adaptation of materials was carried out by the motion picture industry. In 1944, slightly over 40 persons were on the staff. Organization of the Division was also comparatively simple; as shown by a functional chart of October 15, 1944, the direction of the program centered in the Washington office, while operations were largely handled in New York.

The Motion Picture Division carried out its operations by means of an organization whose activities were classified as in two fields — theatrical and nontheatrical. Both of these, however, operated under the same management; their titles are sufficiently indicative of the type of production with which each was concerned.

The Washington office of the Motion Picture Division was responsible for the policy and scope of the program and its coordination with those of other government agencies. It likewise arranged for necessary clearances by the State Department and maintained informational files for general use in all operations. The New York office had three sections. A Production and Adaptation Section was concerned with selection of suitable film material from that produced by other Government agencies, the motion picture industry, and private concerns, for adaptation and sound-tracking in Spanish and Portuguese for distribution in the other American republics. This section also developed story lines, wrote scripts, and con-



# 35 MM FEATURES



tracted for, and supervised the production of, 16-mm. films of interest to the other American republics put out by independent producers in the United States. A Newsreel Section was responsible for the inclusion of subjects of inter-American significance in the regular theatrical weekly releases by major newsreel companies. It also compiled a weekly newsreel on special events in the other American republics for distribution to newsreel theaters throughout the United States. A Distribution Section organized and supervised the distribution of 16-mm. films in the other American republics and saw that the United States embassies and the coordination committees had equipment and prints for free exhibition. It likewise had charge of the distribution of films of inter-American significance in the United States.

The Motion Picture Division also maintained a Hollywood office which maintained contact with the industry and advised producers on their problems which related to the other American republics. It also supervised the Division's West Coast projects, reported on studio activities of interest to CIAA, and promoted the use of Latin American talent in the industry wherever possible.

Policy and content determination in connection with motion picture activities was handled in the same manner as in the case of press and radio operations. Relations between the Division and the State Department were close from the beginning, with approval by the State Department a regular part of the project authorization process and with conferences held on all materials produced by the Division. Amicable relations were also maintained with Mr. Lowell Mellett, Director of the Office of Government Reports, who had been appointed Coordinator of Films by President Roosevelt on December 18, 1941. While his agency felt that the government should produce its own documentary films and should not be dependent on private industry for films calculated to impart information of value to the war effort, his staff did not itself engage in motion picture production activities, but concentrated on clearance functions. Since the Motion Picture Division did not normally act directly in gaining clearance, with most of its operations in this field would be handled through the Motion Picture Society for the Ameri-

cas, this did not affect its operations to any great extent. The Office of the Coordinator of Films also furnished an additional clearance requirement applying to films distributed in the United States. His office was likewise interested in a distribution system for 16-mm. nontheatrical films in the United States and eventually utilized the network which CIAA had already arranged for that purpose.<sup>2</sup>

Some problems had to be met in connection with the creation of the Office of War Information in 1942. The new information agency contained two motion picture bureaus, one for the Domestic Branch and one for the Overseas Branch. The Domestic Motion Picture Bureau (of which Mr. Mellett had been made chief) found it necessary to go into the producing field for a certain period of time, until was abolished by Congress in 1943. As far as the Overseas Motion Picture Bureau was concerned, it tended to expand as a parallel organization with the CIAA Motion Picture Division, although with not as close a liaison with the State Department and with greater emphasis on its own production. Many items produced by OWI were made available to CIAA for its program, but since neither agency was particularly interested in the other's activities (and with a certain amount of professional jealousy present), as full a coordination as might be desired was not attained.<sup>3</sup>

The first need of the Division upon its inception in 1940 was the establishment of a plan of operation and Mr. Whitney, like Mr. Francisco for radio, made a trip to the field to survey possibilities. By January 1941, the agency had organized its program, as evidenced by a press release in January.<sup>4</sup> A number of Hollywood committees representative of the producers, stars, writers, and directors, who had agreed to cooperate in carrying out the program, were listed; those mentioned were an Executive Committee, one on Visits to South America, another on South American Film Facilities, another on Short Subjects, another on Art Direction, one on Story Material, and one representing the Academy of Motion Picture Arts

<sup>2</sup> Harold F. Gosnell, "Information Activities of CIAA" (draft), July 22, 1944.

<sup>3</sup> Harold F. Gosnell, "Information Activities of CIAA" (draft), July 22, 1944.

<sup>4</sup> Press Release No. 14, January 14, 1941. At this time, the Motion Picture Division was centered in New York with other units of the Communications Division.

16 MM

# PRODUCTION

722 SUBJECTS AS OF MAR. 31, 1945

COORDINATOR OF INTER-AMERICAN AFFAIRS  
 SEPTEMBER, 1944 GRAPHIC REPORTS   
 SOURCE: 4-30-44 CIAA MOTION PICTURE DIVISION,  
 BETTY MANN REPORT  
 USA 13.6/43 16 MM PRODUCTION 22001

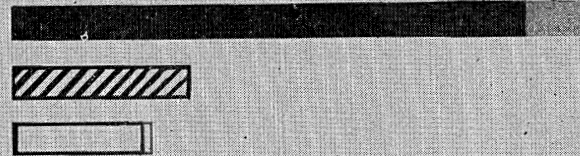
466 COMPLETED

144 IN PRODUCTION

112 PLANNED

FOR L.A.

FOR U.S.



WAR EFFORT

INDUSTRY AND  
TRANSPORTATION

AGRICULTURE

EDUCATION

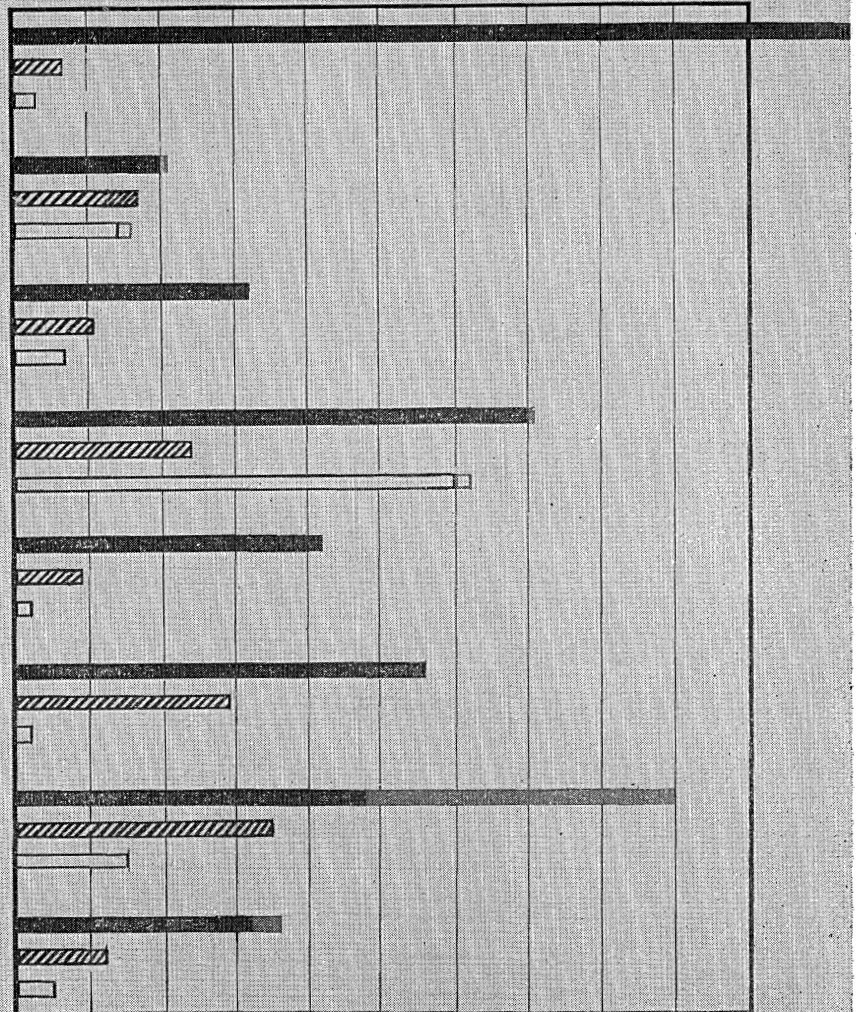
HEALTH

MEDICINE

CULTURE

DIVERSIFICATION

0 10 20 30 40 50 60 70 80 90 100



and Sciences.<sup>5</sup> Plans which were being developed at the time covered such activities as the encouragement of feature films involving Central and South American themes, such as "The Life of Simon Bolivar," "The Road to Rio," and "Blood and Sand." It was hoped also that certain pictures scheduled for production in the near future might be photographed at least in part in Latin America. It was also the plan of the industry to send a number of its leading performers to the other American republics to appear personally at premieres. Another part of the plan involved increased newsreel coverage of events of significance in Latin America.

Two months later CIAA announced further developments in its motion picture program, including a plan for the collection, distribution, and production when necessary of informational and educational non-theatrical motion pictures for use in the American republics.<sup>6</sup> Films obtained as a result of this program, which was being carried out in cooperation with the State Department, would be offered for showing before schools, universities, cultural institutions, and various other appropriate organizations and groups in the other American republics.<sup>7</sup>

In accordance with the general plan of the Motion Picture Division, actual operations were to be carried out under contract by the Film Library, Inc., of the Museum of Modern Art of New York. Under the direction of CIAA the Library was to (1) maintain a comprehensive catalog of all available nontheatrical films suitable for the purpose desired; (2) gather special films from all sources; (3) review them; (4) cut and edit them as necessary; (5) arrange for sound-tracking in Spanish and Portuguese; (6) distribute these prints for showing in the other American republics; and (7) arrange for the production of new films where these seemed necessary because of a lack of

existing films which were appropriate. In addition, the Library was to serve as the medium for purchasing of suitable film on nontheatrical subjects in the other American republics and arrange for their distribution in the United States.

The Motion Picture Division continued with its orderly plan for increased production of materials dealing with Latin America, and with the coming of war, in common with the other information divisions, laid great emphasis upon subjects connected with the war effort. A summary of objectives as they had developed by 1943 is of interest. The most important specific objectives named were the following:

1. An increase in United States production of feature pictures, short subjects and newsreels about the United States and the other Americas for distribution throughout the Hemisphere;
2. Producing and stimulating the production of pictures in the other Americas, particularly short subjects and newsreels, that could be exhibited effectively in the United States;
3. Eliminating Axis sponsored and produced pictures from exhibition throughout the Hemisphere;
4. Inducing the motion picture industry voluntarily to refrain from producing and/or distributing in the other Americas pictures that are objectionable in whole or in part; and
5. Persuading producers that it is unwise to distribute in the other Americas pictures that create a bad impression of the United States and our way of life.<sup>8</sup>

The general method of operation established to carry out these plans provided for (1) supervision by a relatively small but experienced staff of specialists; (2) enlistment of the motion picture industry's facilities and personnel to as wide an extent as possible; (3) whenever it could be done, to adapt existing films to CIAA needs rather than to undertake new production; (4) expenditure by the government only when objectives could be reached in no other way, and then, if possible, doing it in the form of guarantees against losses to producing companies rather than by outright purchase of subsidy; and (5) active consultation with other government agencies, particularly the Department of State, in order to avoid duplication and errors in policy.

Cooperation with the industry was carried out both in New York and Hollywood. In the former city, two major committees were in existence, one composed of the presidents of leading companies and the other of export managers of the industry. In the case of documentary and other nontheatrical film, liaison was maintained directly by the staff of the Division. As noted earlier, the Film Library of the Museum of Modern Art operated

<sup>5</sup> Membership of the committees was as follows:

Committee on Visits to South America: Joseph Schenck, Chairman, Edward Arnold, Kenneth Thomson, and Benjamin Thau.

Committee on South American Film Facilities: Sam Briskin, Chairman, E. J. Mannix, Sol Wurtzel, Major Nathan Levinson, Keith Glennan, Sol Lesser, J. D. McDonough, and William Koenig.

Committee of the Academy of Motion Picture Arts and Sciences: Walter Wanger, Chairman, Frank Capra, Major Nathan Levinson, James Stewart, and Robert Riskin.

Short Subjects Committee: Gunther Lessing, Chairman, Jack Chertok, Gordon Hollingshead, and Hugh McCollum.

Art Direction Committee: Cedric Gibbons, Chairman, Richard Day, William Cameron Manzie, and Jack Otterson.

Committee on Story Material: Sheridan Gibney, Chairman, Kenneth MacKenna, Milton Krims, and Kenneth McGowan.

<sup>6</sup> Press release No. 25, March 13, 1941.

<sup>7</sup> Mr. Kenneth McGowan, state and motion picture producer, was appointed at this time as Director of Production for this part of the program. These films could also be used in the United States.

<sup>8</sup> Report on Motion Picture Division, February 15, 1943.

to handle processing, sound-tracking, editing, and other mechanical aspects of the nontheatrical 16-mm. film program. In Hollywood the Motion Picture Society for the Americas, a nonprofit California corporation, had been established on March 21, 1941, to maintain cooperation between CIAA and the motion picture producers in regard to all problems and projects which related to the other Americas. Membership of this Society's Directorate and the Executive Committee of the Producers' Association of the motion picture industry were practically the same;<sup>9</sup> the Motion Picture Society's Directorate also included, in addition, the heads of the industry Guilds, the agents, and specialists in all phases of other motion picture operations. Subcommittees formed by the Producers' Association to effect cooperation with the Motion Picture Society for the Americas included some of the leading figures in the production industry and in the several fields of Short Subjects, Stories, Talent, Art, Music, and Foreign Managers. These committees not only aided the Society and the Division, but also assumed direct responsibility for much of the work concerned.<sup>10</sup>

The Motion Picture Society for the Americas operated at first under a contract with CIAA entered into on April 1, 1941, by which it agreed to act in a liaison capacity (under the direct supervision of the Coordinator and subject to its guidance and direction) between various associations and individuals in the motion picture industry.<sup>11</sup> The original contract was replaced by another on April 30, 1942, which provided for an extension of the activities of the Society and for additional services including aid in the production of motion pictures related to the national defense and morale, the war effort of the United States, and inter-American relationships and activities.<sup>12</sup> This contract was extended and additional projects were undertaken by the Society. In 1944, a grant-in-aid to the Society was substituted for the contract, with the program undertaken by it generally unchanged, however, and the move made to aid in eventual transfer of the Society to a system of private financing.

It was through this agency that it was possible to establish a voluntary censorship over all United

States motion pictures insofar as relationship with the other Americas was concerned. Members of a subcommittee representing various studios met weekly to exchange information about their respective pictures and to discuss the solution of problems arising in connection with Latin America. At CIAA's request the Producers' Association (Hays Office) also appointed a specialist on the other Americas to the Office of the Production Code Administrator, with the responsibility of checking pictures to insure maintenance of content favorable to the inter-American program.

The Motion Picture Division was also successful in gaining the cooperation of the industry in carrying out its program at a minimum cost to CIAA and with the greatest possible aid from the industry. Some of the more important contributions by the latter listed in 1943 included the waiving of sound-processing royalties on pictures distributed by CIAA on the part of the Radio Corporation of America Manufacturing Company, as well as the waiving of royalties for re-recording of Victor Records used in making music tracks for CIAA films. The American Society of Composers, Authors, and Publishers also gave up all royalties on behalf of the organization and its members when music owned by ASCAP was used by the Motion Picture Division. The President of the American Federation of Musicians cooperated with the Division so that union fees and labor costs were reduced. The Motion Picture Division was able to obtain waivers from the manufacturers of many records re-recorded for pictures. Major Hollywood producers also granted, without charge, the 16-mm. nontheatrical rights to selected short subjects for distribution in the other American republics, thus making available to CIAA some of the best short subjects in the industry without production costs. In many cases also, the companies provided Spanish and Portuguese sound-tracks, providing a saving of costs in adaptation of the films for use in Latin America. It was also possible to secure without cost rights to other nontheatrical films such as those produced by the American Public Health Service, the American College of Surgeons, the National Tuberculosis Association, the American Society for the Control of Cancer, and others.

Another source of materials for use by CIAA was the other agencies of the United States Government; a large number of films were obtained from the Office of War Information, Department of Agriculture, Tennessee Valley Authority,

<sup>9</sup> The President of the Society for most of the war years was Mr. Walter Wanger.

<sup>10</sup> Report on Motion Picture Division, February 15, 1943.

<sup>11</sup> Memorandum from Katherine Drew to Kenneth R. Iverson, March 5, 1946.

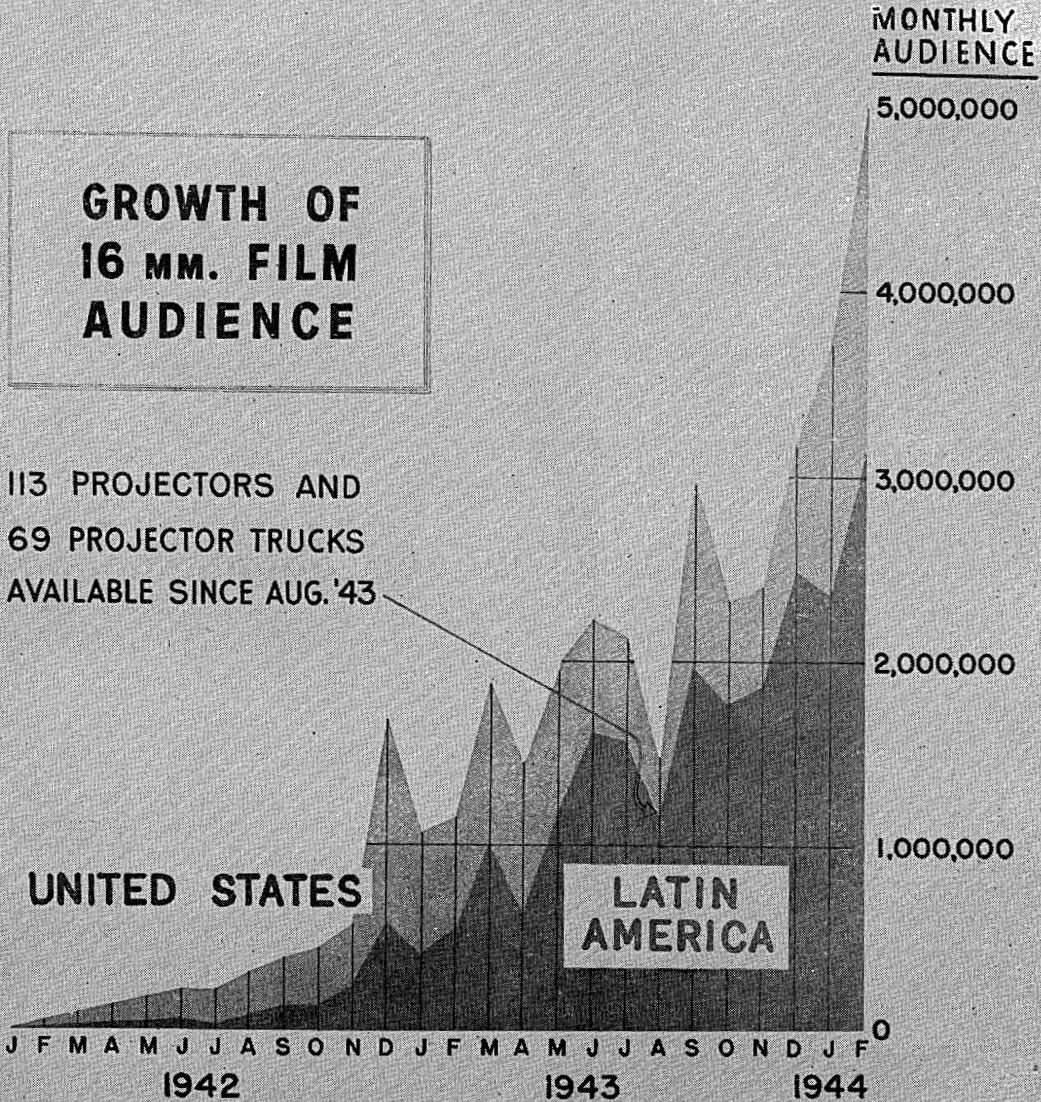
<sup>12</sup> The basic amount paid by CIAA under the contract was \$54,000 per year (see *Hearings, H.R., 1946, Pt. 1, pp. 961-2*).

# 16 MM. AUDIENCE

# CIAA MOTION PICTURE

**GROWTH OF  
16 MM. FILM  
AUDIENCE**

113 PROJECTORS AND  
69 PROJECTOR TRUCKS  
AVAILABLE SINCE AUG. '43



United States Public Health Service, Department of Interior, and others. In addition, the Motion Picture Division was able to secure without cost a number of films produced by industrial and commercial organizations, such as United States Steel Export Corporation, Bell Aircraft, Greyhound Bus Company, Standard Brands, American Can, and the Aluminum Corporation of America, and many of these companies also adapted productions in Spanish and Portuguese for use in the other American republics.

Contracts which the agency made with laboratories for the printing of pictures were also at lower rates than normally granted, and those with the Film Library, Inc. made it possible to process, produce, and edit nontheatrical pictures at an average cost which was far lower than would have been required for original production of similar material.<sup>13</sup>

Cooperation of the industry was also attained by CIAA in fields other than donation of film rights and similar concessions. As indicated previously, working through the Motion Picture Society for the Americas, CIAA was able to make headway in its objective of inducing the industry to refrain from producing and distributing pictures that were irritating to Latin Americans, and also in regard to elimination of distribution in the other American republics of some pictures which would create a bad impression of the United States and its way of life. By 1943 CIAA had not been completely successful in this latter respect, but it did get eliminated some of the more glaring errors. The Motion Picture Division also claimed credit for a great increase in the number of feature pictures based on Latin American themes or of particular interest to Latin Americans; in 1943 it was noted that since the inception of the Division in October 1940, about thirty feature pictures on Latin American subjects had been released. These and many other pictures contained Latin American sequences for which CIAA had responsibility.<sup>14</sup> Another area in which the Division was active was the attempt to drive Axis-produced and sponsored pictures from possible distribution and exhibition throughout the hemisphere. This was carried out through the cooperation of United States distributors operating in the other Americas, and by aid from the producers of film and equipment.

<sup>13</sup> One memorandum indicated that the average cost to CIAA of these films was approximately \$850 per version per reel, where otherwise they would have amounted to some \$7,000 or \$8,000 per reel.

<sup>14</sup> Report on the Motion Picture Division, February 15, 1943. It was noted that 25 other films were in production at the time.

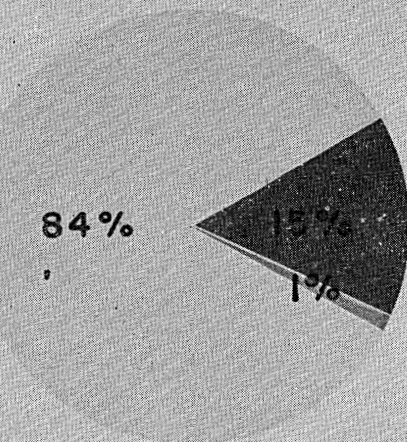
Activities in the newsreel field started from such an attack on the widespread use of Axis films. United States newsreels had begun to circulate in Latin America as early as 1936, but they had always received minor program treatment, for United States producers made no particular effort to obtain special Latin American or inter-American subjects for their reels and contented themselves with occasional stock shorts of fiestas, carnivals, and earthquakes. The reason for this was probably that because little profit was involved. On the other hand, newsreels exported often indiscriminately included material on life in the United States which revealed North Americans as a nation of flag pole sitters, polar bear bathers, and people who were utterly and completely publicity mad. German newsreels on the other hand had been utilized in a carefully planned propaganda program. They invariably stressed German military might with sequence showing stages in the conquest of Czechoslovakia, Poland, and other areas. On the cultural side, these films showed the enthusiastic, vigorous youth of Germany and other scenes indicating prosperity and happiness. By means of generous government subsidies these German propaganda reels were distributed free or at a nominal charge to theater operators and were receiving far more extensive distribution than United States newsreels. In addition to servicing the regular motion picture circuits, special newsreel editions were regularly shipped to German embassies where frequent private showings were arranged for specially invited Army, Navy, diplomatic and other influential officials.

Early in 1941 the Motion Picture Division of CIAA began to work on a program in the newsreel field. It was particularly desired first of all to eliminate Axis newsreels from the theaters of the other American republics. The Division also wished to reduce unfavorable material on the United States, and to add favorable sequences on this country to reels exported to the other American republics, also to include more suitable material about the other American republics both in reels going south and in those circulated in the United States. It worked on this program during 1941 and on January 1, 1942, formally set up a Newsreel Section to put the program into full operation. One of the first projects of this Section was to provide coverage of the Rio Conference held January 15-28, 1942. Arrangements were made with Fox-Movietone News to send a crew with

# OIAA MOTION PICTURES

## 35 MM NEWSREELS

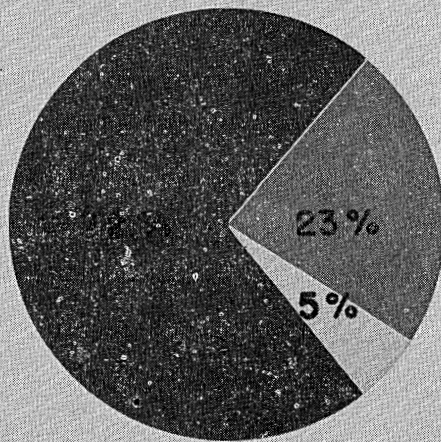
1939



■ Latin American Content  
■ War  
■ Other Subjects

1700 Subjects shown each year in Latin America to 19,500,000 Persons weekly

1944





complete sound equipment to Rio to cover every aspect of the Conference, and the film produced was made available to all newsreel companies and was distributed theatrically in North and South America and in other parts of the world. Retaining the 16-mm. nontheatrical rights, the Newsreel Section continued to circulate these reels to specialized groups and to those not having access to the general theater showings.

The Newsreel Section then turned to obtaining adequate coverage of Latin American newsreel material. United States newsreel companies were already exporting weekly newsreels covering world events to their Latin American outlets, and the main necessity was to make it financially possible for them to secure the type of subjects which would tend to further the CIAA program. They needed local cameramen stationed at important news centers in the other American republics to be in a position to cover spot events. Guidance was required in regard to content in order to carry out psychological warfare, and assistance was necessary in getting to them desirable story material and direction in the problems involved in providing Spanish and Portuguese sound-tracking.

Through a series of contracts negotiated in the early months of 1942 with the five major newsreel companies,<sup>15</sup> United States camera crews were dispatched to Rio de Janeiro, Brazil, and Santiago, Chile, under an expense-sharing plan whereby CIAA paid half of the amount necessary to maintain these operators while the five companies jointly shared the remainder of the expense. In addition, CIAA arranged to retain the services of three other free-lance cameramen. The film footage obtained from these several sources was air-expressed to New York under high priority ratings, where it was cooperatively processed, edited, and pooled by the five companies for use in their special weekly Latin American editions released to their local outlets. South-bound distribution was also accelerated by granting of high priorities in air express so that it was possible to exhibit current inter-American newsreels in the more than 6,000 theaters of the other American republics at about the same time these were exhibited in the United States.

The Newsreel Section then entered into activities designed to increase production of film material which would apply to specific points in the CIAA information program. The agreement signed with the newsreel companies provided that

<sup>15</sup> Paramount, Pathe, Universal, Fox-Movietone and News of the Day.

they would include voluntarily in their reels special subjects produced or selected by the Motion Picture Division for reasons of strategic significance. CIAA also had the right to issue directives to the cameramen in the field to cover certain situations or events which were particularly important to the agency program. These sequences were then substituted by the newsreel companies in their Latin American editions in place of other subjects which did not necessarily further the United States hemisphere program.<sup>16</sup>

In the United States, through the cooperation of other government agencies (particularly the Office of War Information, the Army, the Navy, and the Office of Strategic Services), the Motion Picture Division was in a position to produce similar material of inter-American interest originating in the United States; here likewise it had the benefit, at a nominal cost, of the extensive facilities provided by the domestic newsreel companies whenever special assignments were desired. Thus the Division procured a series of highly effective films on such things as visits of presidents of the other American Republics to the United States and celebrations of Mexican Independence Day in New York and Los Angeles.<sup>17</sup>

The Newsreel Section also worked toward establishing tie-ups between United States newsreel companies and those of Mexico, Chile, Brazil, and other hemisphere republics. In this way Latin American subjects were made available on a greater scale for use in the United States. In addition, it undertook on a limited scale to develop and train Latin American newsreel personnel in the more advanced technical aspects of the profession as practiced in the United States. In line with these objectives, the Newsreel Section in March 1942, sent a representative on a trip to Mexico, Chile, Argentina, and Brazil for four months, to aid in such developmental activities.

Newsreel distribution was also a part of the program to which the Newsreel Section turned its attention with the idea of gaining expanded distribution for its films. In carrying this out, a project was started for the compilation of 16-mm. weekly newsreel summaries. A selection was made of footage from the best current newsreels on the

<sup>16</sup> Typical of the stories of this kind were "Salvage Collection in Brazil", "U. S. Army Engineers Speed Inter-American Highway", "President of Nicaragua Visits President of Costa Rica", "Brazil Makes Tires for Allies", and "Chilean Navy on Guard in Pacific" (listed in an undated memorandum on activities of Newsreel Section of the Motion Picture Division).

<sup>17</sup> Other similar subjects included: "Peru Signs Commercial Treaty with U. S.", "Chile Gets American Planes", and "Archbishop Spellman Asks Prayers for Rome and Pope Pius".

United States, and these summaries were then sent to the United States embassies and coordination committees to supplement the commercial films shown theatrically throughout the other American republics. These private and special 16-mm. showings under CIAA auspices were designed, in effect, to be "a report on the United States" which would effectively present this nation in a favorable light.

The coordination committees were supplied with equipment for such newsreel showings. In addition to this, more than 200 sound trucks equipped with 16-mm. projectors and screens were obtained from United States industries operating in the other American republics, and through cooperation with the local coordination committees, and these trucks operated itinerant circuits in the rural districts and interior regions. In this way, many persons were reached who normally did not see motion pictures and who could be reached by the propaganda program of CIAA in no other way.<sup>18</sup> As noted earlier, this medium was also highly significant because it reached illiterate groups.

The Motion Picture Division likewise was deeply interested in increasing the number of newsreels on Latin American subjects shown in the theaters of the United States. In 1943 it made arrangements with a chain of newsreel theaters in the country to show a special Latin American reel made up exclusively of outstanding inter-American events, at least once every three weeks. A 16-mm. edition of the release was also included in CIAA film material regularly sent to the various inter-American centers established throughout the country, and to many organizations interested in furthering the inter-American program.

In regard to content in the newsreel field, the Motion Picture Division worked informally with the industry, supplying directives and advice on matters of policy and in connection with special problems. Representatives of the Division were also allowed the privilege of reviewing the reels in preliminary showings and were able to secure the

elimination of many subjects inappropriate for distribution in Latin America. Attention was naturally directed to showing not only the military operations of the United States but also its activities in the industrial effort in defense of the hemisphere. Newsreel content was also arranged to indicate that the United States was affected by shortages in common with the rest of the hemisphere and, to combat Axis rumor propaganda circulated in Latin America, included scenes showing that Mexican workers in the United States were adequately housed, and that there was no discrimination in regard to Brazilian troops training in United States Army camps. Great emphasis was also placed in the newsreel program on such developments as the 40-day visit of Vice President Wallace to 7 Latin American countries in March and April of 1943. As indicated above, that part of the motion picture program devoted to the elimination of Axis newsreels was especially successful, and during the entire period of the war such newsreels were nowhere shown generally, except in Argentina. This, like most other operations, was carried out through the industry, with United States distributors agreeing to withdraw all United States film bookings from theater operator who showed objectionable films.

An additional field in which the Motion Picture Division was interested was the production of short subjects, prepared on Latin American themes, or those of particular value in regard to United States relations with the other American republics. As early as November 1941, "all major companies accepted commitments to produce a minimum of 24 hemisphere shorts for theatrical release in addition to specially designed travelogues."<sup>19</sup> By 1943 some 61 such shorts had been produced and released at the request of CIAA, without cost to it. Included in the group were such films as "Viva Mexico", "Highway to Friendship", "Gaucho Sports", "Madero of Mexico", "Der Fuehrer's Face", "Cuba, Land of Romance and Adventure", and "Price of Victory".

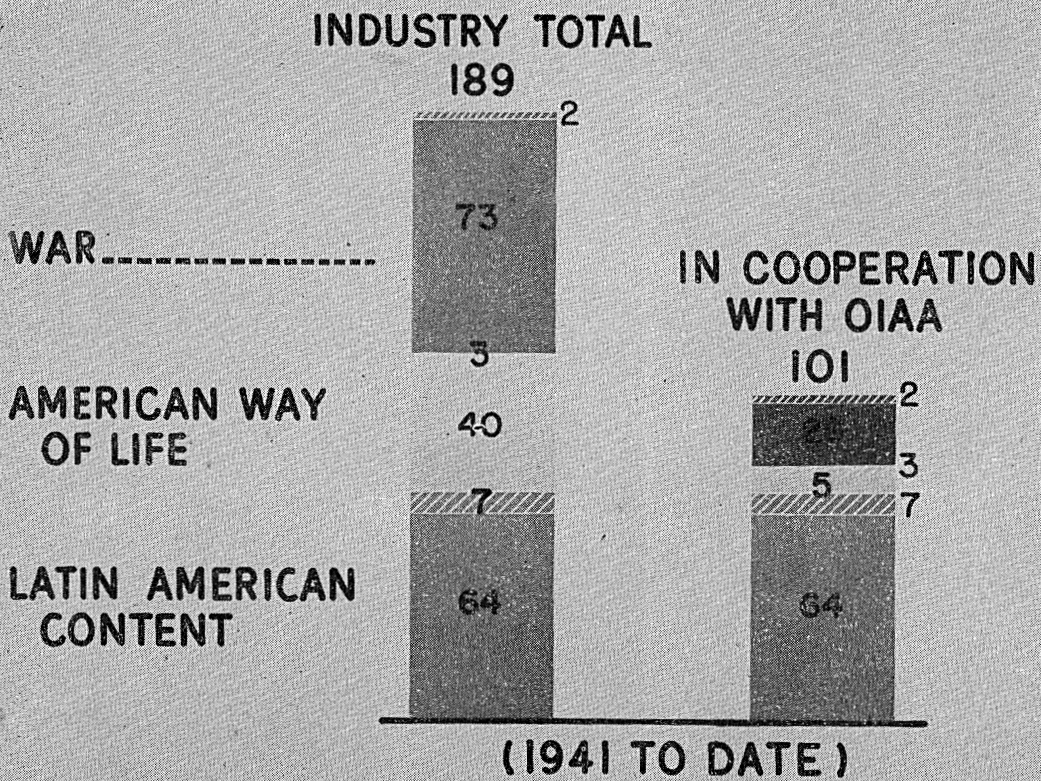
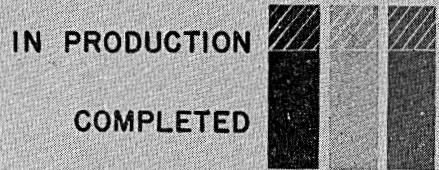
The Motion Picture Division supplied ideas and story material on Latin American themes to the industry whenever possible. In addition, they were behind many more ambitious projects designed to produce important features and short subjects for distribution. One of the best examples of this type of effort was the project for production of a feature color motion picture on Latin America, of exceptional quality, to be written, directed, and pro-

<sup>18</sup> Some adverse statements arose in connection with these free showings, for many persons felt that it was only propaganda or that it was to open the field to United States commercial films. In order to counteract this, audiences at these showings normally received a handbill which explained that the films were made available by CIAA in order to show the development of the war against the enemy powers, to increase the knowledge of the people of the other American republics in regard to the United States, and to improve the general welfare of the Western Hemisphere. It was likewise emphasized that similar films were being distributed in the United States to inform the people there about life and conditions in the other American republics so that interchange of information was on a mutual basis for the purpose of increasing thorough understanding.

<sup>19</sup> John Hay Whitney to Nelson A. Rockefeller, November 26, 1941.

**OIAA MOTION PICTURES**

**35 MM SHORTS**



duced by Orson Welles and his Mercury Players.<sup>20</sup> This project represented an effort by the Motion Picture Division to realize a favorite plan of Lourival Fontes, then Minister of Propaganda and Popular Culture of Brazil, who had proposed it to Mr. Whitney and others during their South American trip on October 1941. The picture was to be a saga of the other American republics, made up of four major dramatic episodes diversified in subject but universal in appeal. Mr. Welles was to direct the project as well as to appear in it.

As was usually done in the case of motion picture operations of this type, CIAA advanced no money for the venture. Instead, RKO Radio Pictures, Inc., signed a contract to engage Mr. Welles to write, direct, and produce the full-length picture, which RKO further agreed to distribute as a class "A" feature. On its part, CIAA agreed to indemnify RKO against loss up to the amount of \$300,000 or 30 percent of the production cost, whichever was less.<sup>21</sup> Mr. Welles went to Brazil in 1942 and spent some 5 months in photographic work. However, due to subsequent misunderstandings between him and RKO, no agreement would be reached as to the final cutting and showing of the approximately 150,000 feet of film which had been shot. As a result, CIAA was not liable for any expenditure in connection with the venture and on May 14, 1943, informed RKO that the Government was no longer obligated under the terms of the agreement signed.<sup>22</sup>

The Motion Picture Division also worked in close cooperation with the Walt Disney Studios, since the cartoon medium utilized by Mr. Disney was held to be one of the most effective in the field. In 1941 CIAA financed a trip by Mr. Disney and a staff of assistants to the other American republics, with the purpose of affording an opportunity to gain background for a picture or pictures later on. In addition, it served as a good-will tour since the Disney cartoons were extremely popular in the other American republics. Following his return, Mr. Disney completed one feature and several short subjects inspired by the trip. In succeeding years, to further augment its program and to take advantage of the Disney method of visual presentation, CIAA entered into additional contracts with the Walt Disney Studios, Inc., for

research on and the production of a series of educational and propaganda films to be distributed throughout the hemisphere. Several of these were designed to further the programs of other divisions of the Office, particularly in the fields of health and sanitation, food supply, and education. The Disney projects were financed under the guarantee-against-loss plan. For the first trip, CIAA advanced \$70,000 against the cost of the tour and entered into a further guarantee of \$150,000 against loss on a series of 12 film subjects. In later contracts, other sums were appropriated for both research and production. Although most of the later pictures were designed primarily for non-theatrical distribution, some were to be exhibited commercially also. The contract arrangements with the Disney Studios provided that income derived from exhibition, up to an amount equal to production costs, should be paid to the United States Government. Several of the features produced were very successful; this was particularly true of "Saludos Amigos", the first feature under the contract, which proved to be so successful that none of the money appropriated was needed.<sup>23</sup> During the fiscal year 1942, the sum of \$520,000 was obligated for "guarantees against loss" on the part of various producers, but none was paid out by CIAA. By the date of presentation of the 1945 fiscal year budget estimates, the general success of the pictures produced was such that CIAA no longer requested funds for this purpose.<sup>24</sup>

In the production field, the Motion Picture Division set up a unit in Hollywood under an experienced producer of shorts and features. This unit prepared a number of scripts, some of which were turned over to studios for production under CIAA's supervision, with the agency retaining 16-mm. rights. The Division also contracted in New York for the production of newsreels and shorts by professional film makers. It was in this way that "Victory for the Americas" was made for the agency from a Motion Picture Division script by Paramount News. This film, a report on the United States war production, through the cooperation of the major distributors it is estimated was shown to more people in Latin America than any other single film ever produced.

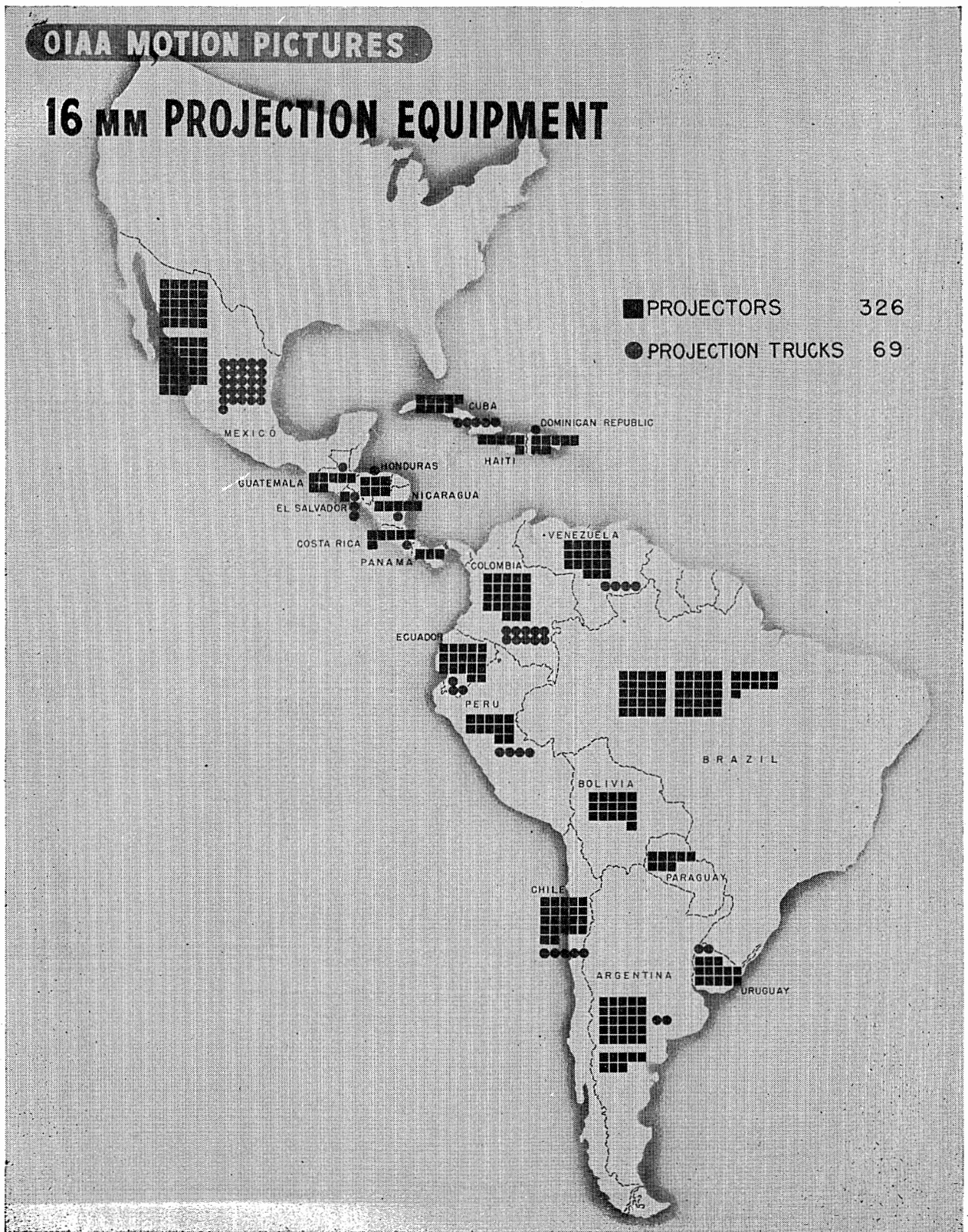
<sup>20</sup> Project Authorization proposed January 2, 1942.  
<sup>21</sup> Wallace K. Harrison to R. B. Wigglesworth, February 7, 1945.  
<sup>22</sup> *Ibid.* A number of subsequent attempts were made to arrange for the showing of the picture, which is said by persons who have seen it to have exceptional value as a motion picture feature. CIAA was always anxious to have it produced, as an important contribution to inter-American understanding.

<sup>23</sup> Other subjects completed by Disney for theatrical distribution as a result of his arrangement with CIAA were "Education for Death" and the so-called "Latin American Surprise Packages". Non-theatrical films produced under the Disney contracts were "Winged Scourge", "Walt Disney Sees Latin America", "The Grain that Built the Hemisphere", "Water Supply", "Chicken Little", and "Defense Against Invasion", and others.

<sup>24</sup> *Hearings, H.R., 1945, Pt. 1, p. 963.*

# OIAA MOTION PICTURES

## 16 MM PROJECTION EQUIPMENT



The Motion Picture Division utilized the coordination committees for distribution of its productions, just as these committees were used as a field organization in other information activities. In the larger countries the committees usually employed one or more paid motion picture men, who made arrangements with schools and organizations for exhibition of the pictures and actually handled projection in most cases. As indicated earlier, it was also through the coordination committees that station wagons or trucks equipped for the showing of motion pictures were sent into the interior to show films. Distribution of films to groups in the several countries was usually supervised by subcommittees of the central coordination committee. Almost invariably one or more professional motion picture men, usually a representative of one or the major United States distributors, were members of such subcommittees.

Well over 300 projectors were sent to the coordination committees in the other American republics and additional equipment was regularly supplied for maintenance.<sup>25</sup> Some 70 sound trucks were in use by the end of the war and, in addition, several commercial companies also made use of projection equipment to advertise production and to further the film campaign. Accompanying charts indicate audience showings and certain other information in regard to motion picture operations.

Distribution in the United States of CIAA pictures was operated and controlled by the Motion Picture Division's New York office. Prints were distributed directly to 85 depositories. These depositories were charged with responsibility for obtaining maximum distribution in their respective territories. Inter-American centers established by CIAA in various cities in the United States also made showings of nontheatrical films, and provided desired items for showing by interested private groups.

The Motion Picture Division of CIAA made use of the same subsidiary nonprofit corporation in its operations that was utilized in the radio program. The idea was first proposed in May 1942, when a plan was presented for cooperative development of motion picture and radio industries in the other American republics. Insofar as motion pictures were concerned, this program involved the supplying of production capital, technical

<sup>25</sup> *Hearings, H.R., 1945, Pt. 1, p. 960.* At this time (by June 1944) there were 309 projectors in use, and it was noted that some of these were wearing out and that others were being sent to replace them.

assistance and equipment for the encouragement of the film industry in Latin America, with the idea of producing feature films presenting in various ways the cause of hemisphere solidarity in the war against the Axis.<sup>26</sup> Mexico and Brazil were to be the centers for the first operations. It was proposed to establish a corporation of the same type as had been set up for other operations of CIAA, with this corporation to advance funds on a loan basis with provision for their recovery if the films proved profitable; as noted this basic idea of guarantee-against-loss was a fundamental feature of the Motion Picture Division operations. No objection, according to the Coordinator, was offered by United States film producers, who instead offered their aid in carrying out the program. It was justified on the ground that Latin American films reached a different audience than United States films, and that there would be less subject to suspicion as a part of a United States propaganda campaign.<sup>27</sup>

The corporation which was formed to carry out the motion picture (and radio) program was named Prencinradio. It was felt at this time that it would be desirable to keep the activities of Prencinradio, and its connection with the United States Government, confidential. No mention of the corporation was made in printed proceedings of appropriations hearings held before Congress in June 1941. The following year some testimony was given to the House Appropriation Subcommittee in regard to cooperation with the Mexican film industry, but the name of Prencinradio was not introduced.<sup>28</sup> In 1944 there was likewise no reference to the name of the corporation. Information regarding Prencinradio was made public on May 18, 1944, by the Wall Street Journal, and in hearings before the Subcommittee of the Senate Appropriation Committee, not long afterward, the work of the corporation was discussed for the record.<sup>29</sup>

The first (and only) motion picture project undertaken by Prencinradio was inaugurated under instructions from the Coordinator that it act as the vehicle for carrying out, under direction of CIAA, a program to stimulate the development of the motion picture industry in Mexico. The objective stated was that production of pictures by the Mexican industry would support the war

<sup>26</sup> Budget Estimate 1943, as noted in H. F. Gosnell, "Information Activities of CIAA" (in draft form), July 22, 1944.

<sup>27</sup> Harold F. Gosnell, "Information Activities of CIAA" (in draft form) July 22, 1944.

<sup>28</sup> *Hearings, H.R., 1944, Pt. 1, p. 223.*

<sup>29</sup> *Hearings, Senate, 1945, p. 92.*

effort and hemisphere solidarity and would also serve as a means of "forestalling development of an industry in that country by interests unsympathetic to the United States war effort."<sup>30</sup> Representatives of the Coordinator's Office, working through the United States Embassy, then held conferences in Mexico City with members of a committee representing the Mexican motion picture industry. An agreement was signed, which provided for: sale of United States-made motion picture equipment to the two leading established motion picture studios in Mexico City; technical training to be given to selected Mexican technicians; underwriting the production of a limited number of special productions; and cooperation with the Mexican industry in the distribution of films. No direct control of the Mexican motion picture industry was contemplated either by the United States industry, Prencinradio, or the United States Government. The program worked out was approved by Ambassador Messersmith and then by the State Department.<sup>31</sup>

In order to determine the exact needs of the industry, Prencinradio had a comprehensive report prepared of the motion picture industry in Mexico by competent authorities. Then, as a result of this investigation, the corporation authorized the expenditure of some \$285,000 for motion picture equipment needed in modernizing and expanding the Mexican studios. Whenever possible, second-hand equipment was secured. In order to make this equipment available to the Mexican industry and at the same time to assure recovery of its cost to Prencinradio, a trust agreement was drawn up in March 1942 between the corporation, the Bank of Mexico, and the Coordinator. Under this agreement the equipment purchased was placed in trust with the Bank of Mexico for sale to the studios at cost plus expenses. According to material in agency files, the motion picture venture in Mexico was definitely successful and amounts advanced were steadily repaid during the next few years. However, it was never possible to

<sup>30</sup> Nelson A. Rockefeller to Prencinradio, Inc., July 27, 1942. The Coordinator stated that the program in Mexico was only the first in a broader plan to develop the motion picture industries in several of the other American republics.

<sup>31</sup> Laurence Duggan to Wallace K. Harrison, July 11, 1942.

extend the program of the corporation beyond the Mexican project.

From its inception, the Motion Picture Division had some interest in exchange of motion picture actors and other personnel. It arranged for the appearance of players of Latin American origin at various public exercises in the United States, and through the industry, took some part in arranging for United States actors and others to make visits to the other republics. The motion picture industry at the request of the Division financed a trip by various film players and executives to Mexico City in the spring of 1942, under the official sponsorship of President Avila Camacho. Somewhat earlier a reception given naval officers from South America by several Hollywood studios was a project favored by the Division. Receptions were regularly provided for visiting Latin Americans of importance in the motion picture field.

The Coordinator's Office also had its part in at least one other motion picture good-will tour, for which it received some condemnation. This was a visit to South American by the film actor Douglas Fairbanks, Jr., in the spring of 1941. A special representative of the Coordinator, Mr. Edward H. Robbins, was assigned to accompany him on the "special mission which Mr. Fairbanks is carrying out for the President of the United States."<sup>32</sup> While CIAA was thus not responsible for Mr. Fairbanks' tour, some of the not always favorable publicity which resulted from this trip came back upon the Office,<sup>33</sup> since many persons believed that the Coordinator had proposed and financed the trip.

The Motion Picture Division produced one newsletter for distributors of CIAA motion picture films, indicating developments in the field. This was a small pamphlet entitled "Saludos Amigos"; it was issued during most of 1944. The Division likewise published a catalog of films available for distribution to possible users.

<sup>32</sup> Wayne Coy to Nelson A. Rockefeller, April 25, 1941, authorized the necessary expenditure of funds on the part of Mr. Robbins. Instructions by the Coordinator to Mr. Robbins noted that Mr. Fairbanks was to look to him for counsel and advice, which does not seem to have been always done.

<sup>33</sup> Most of the adverse comment made on Mr. Fairbanks' visit was not concerned with any of his activities, but rather that a motion picture actor should even unofficially represent the President of the United States.

## INFORMATION SERVICES

In addition to major operations represented by press, radio, and motion pictures, certain others were normally included in the information program of the Office; these were usually classed as "information services." Some of these activities contributed to the carrying out of the major programs or served CIAA and other government agencies in day-to-day functioning. Such activities were also carried out from the start of the Office, for its leaders realized that if they were to affect public opinion, it was necessary for them to know what that public opinion was and to test progress in reaching objectives. Likewise, if they were to combat Axis propaganda, they must know what the propaganda was. Finally, it was obviously necessary to plan campaigns in the information field both as to content and general objectives.

A certain amount of guidance for the information program came from sources outside the agency, such as the State Department and the Office of War Information. Later, one function of the coordination committee was not only to adapt programs for use in their own localities, but to suggest new projects and to report to the Coordinator on the effectiveness of activities already underway.<sup>1</sup> Certain individuals in the Office itself were particularly useful because of their expert knowledge of one phase or another of the entire program; men like Dr. Enrique de Lozada, John Dickey, and Francis A. Jamieson (in addition to their other duties in the organization) were listed in charts of the agency as "Special Advisers." The first advisory committees also were formed partly to aid in planning program content. Finally, in carrying out the information program, its officials when necessary visited the other American republics to examine operations in the field and to work out plans for new activities.

As noted, from the beginning the Coordinator and his associates were aware of the significance of

public opinion in regard to operations, and the need to evaluate this public opinion by means of specific machinery. Early in September, Mr. Rockefeller consulted Dr. George Gallup, a leading authority on public opinion surveys in the United States, concerning the practicability of gathering information in Latin American countries regarding the opinions, tastes, and habits of their peoples. He also was interested in surveys in the United States to test attitudes of United States citizens toward the other American republics. Dr. Gallup referred the Coordinator to Dr. Hadley Cantril of Princeton University, who was to be given charge of most of the work in surveys of public opinion and in reporting on specific conditions for the next year.<sup>2</sup> Dr. Leonard Doob (also of Princeton) and Mr. Lloyd A. Free were to be his chief aides in the work.<sup>3</sup>

Discussions of the plans of the agency in regard to possible surveys were carried out by the CIAA group with the State Department in late September. Mr. Laurence Duggan of the Department at first feared that it was planned to start a stereotyped poll of public opinion which might involve a number of political problems embarrassing to the State Department.<sup>4</sup> He was assured that there

<sup>2</sup> Memorandum by Hadley Cantril to Don Francisco, May 8, 1941.

<sup>3</sup> Dr. Doob was later to become a member to the staff of CIAA.

<sup>4</sup> A memorandum from Hadley Cantril to Nelson A. Rockefeller indicated that his group had been allowed to work with certain materials of the State Department and the Federal Bureau of Investigation, both of whom had proved cooperative. It was their feeling that data at hand were inadequate on the following points: Little information was available concerning the opinion of the other American republics, either majority or minority groups; second, while there were some reports on radio and moving pictures and reading tastes of the public, these were quite inadequate to serve as the basis for the expensive program contemplated by CIAA as to the best time of day to broadcast, the type of moving picture films that people might desire to see, and similar matters; third, there was very little information concerning the reactions of the people of the other American republics to foreign propaganda. Strength of Axis efforts in this line were quite clear, but no good yardstick to measure their effectiveness existed. As a result Dr. Cantril's group was of the opinion that the type of investigation which the Coordinator had in mind was imminently necessary and to obtain it new mechanisms must be devised. (A copy of this memorandum in agency files is dated October 14, 1940; another memorandum indicates that it was started about this date but was not presented to the Coordinator until November 1.)

<sup>1</sup> See chapter 20 (on Coordination Committees).



was no intention of reproducing a "Gallup Poll" in the other American republics, but that the information desired would be handled by research techniques which would not raise the issues over which he was concerned.

In order to carry out the work contemplated, it was finally decided to set up a private, nonprofit corporation at Princeton. On October 14, a contract between the newly formed "American Social Surveys, Inc.," and the Coordinator's Office was signed. The contract, in which it was stated that amounts spent were not to exceed \$250,000, stipulated that the corporation would "deliver confidential reports" to CIAA.<sup>5</sup> Dr. George Gallup was President of American Social Surveys, Inc., while Dr. Hadley Cantril (who was to carry out operations) was Vice President. Shortly after the general contract was signed, an agreement was made for American Social Surveys, Inc., to deliver to the Coordinator two reports which should be the result of a detailed scientific investigation of the basic attitudes of the major groups of the people of Latin America; for the first report CIAA was to pay not more than \$10,000, while the cost of the final report was to be determined in advance of presentation and was not to exceed the \$250,000 maximum noted above, nor be less than \$20,000.<sup>6</sup> It was expected that these studies would take approximately one year for completion.

Permission was given by Under Secretary of State Adolf A. Berle to conduct the survey in Brazil as a test case. Consent of the State Department was also gained for the tentative planning of reports for other areas, to be carried out by agents who had already been sent to Latin America to gather information for use of the Coordinator but who would not go ahead with any survey until the one in Brazil had been completed and shown to the State Department.<sup>7</sup>

Actual public opinion surveys were never carried out by the American Social Surveys, Inc., on the scale that had been planned at the beginning, largely because of difficulties inherent in attempting this type of survey in a foreign country. Two polls were made under its direction. One, called the "first systematic survey ever made in a Latin American country," was carried out in Brazil, and dealt with communication habits of Brazilians throughout the country and of all walks of life. It also included questions designed to reveal reac-

tions of Brazilians to the United States and the Axis.<sup>8</sup> The second was made by the J. Walter Thompson Company in Argentina for a client, the General Electric Company, which was interested in the number of people who listened to short wave broadcasts in Argentina. Several surveys were also made in the United States for CIAA. Four reports, the first on January 10, 1941, the second on April 25, 1941, the third on February 12, 1942, and the fourth on August 25, 1942, were made to sample opinion in the United States concerning Latin America and the Latin Americans. In addition three spot surveys were made in this country between October 1941 and November 20, 1942.

The amount set in the original agreement between the Office and American Social Surveys as a possible maximum payment was steadily reduced in the next year, while the termination date for receipt of the reports was extended (eventually until December 31, 1942).<sup>9</sup> Through June 30, 1942, expenditures involved amounted to slightly over \$75,000.

As the first plan for possible public opinion surveys had developed, it had become desirable to establish the representatives who were expected to gather the information on a common basis. To achieve this result, it was decided to create a "Research Division" of an Export Information Bureau attached to the American Association of Advertising Agencies. A contract was then drawn up between the "4 A's" (as this association is usually abbreviated in agency correspondence) and CIAA to cover operations, which was signed on March 3.<sup>10</sup> The contract set maximum expenditures for the program planned at \$200,000. From this time on, operations in the gathering of information in Latin America were handled by the new agency,<sup>11</sup> while American Social Surveys, Inc., was utilized for opinion testing in the United States, as noted above, and other tasks. While circumstances caused the Export Information Bureau to be created as a separate entity to gather information for the Coordinator in the other American republics, the relationship between it

<sup>8</sup> According to an undated memorandum in agency files on "Types of Information Being Gathered by the Export Information Bureau." Another memorandum indicated that the facilities of the J. Walter Thompson Company were used to carry out this survey.

<sup>9</sup> A letter of Nelson A. Rockefeller to Dr. George Gallup, March 20, 1941, reduced the maximum figure to \$100,000 and another from Carl B. Spaeth to Dr. George Gallup, May 12, 1941, reduced it from \$100,000 to not to exceed \$90,000.

<sup>10</sup> Dr. Hadley Cantril was made Director of this Export Information Bureau Research Division.

<sup>11</sup> This agency was created in time to act as the medium for handling the Brazilian survey.

<sup>5</sup> This contract (No. NDCar-1) was apparently the first signed by the Coordinator.

<sup>6</sup> Nelson A. Rockefeller to George H. Gallup, November 18, 1940.

<sup>7</sup> Memorandum from Hadley Cantril to Don Francisco, May 8, 1941.

and CIAA was not deliberately concealed and was specifically mentioned by Mr. Rockefeller in a speech to the League of Women Voters in New York City on February 8, 1941.<sup>12</sup> However, the representatives of the 4 A's were instructed not to approach the United States embassies in the other American republics, since it was felt a good deal of information would be difficult to obtain if it were generally known that they had connections with the United States Government.<sup>13</sup>

The "observers" (as they came to be called) of the Export Information Bureau established headquarters in some eight cities in the other American republics. In the several months during which they operated, they gathered a number of different types of information for CIAA, much of which were concerned with public opinion. A series of reports were made on the newspapers of the other American republics, which included data concerning ownership, editorial policy of the papers, personal opinions of the owners and editors of the papers, circulation figures, advertising rates, types of readers, and the recent history of each paper's editorial policy with reference to the United States. The observers also attempted to obtain the same type of information on a systematic basis concerning radio stations. In addition, Dr. Doob had instructed the observers in a system of "propaganda analysis," in order that they might evaluate the content of selected newspapers and thus inform CIAA as to trends in local editorial comment and general opinion. The observers also forwarded information concerning the reception given in Latin America to various motion picture films made in the United States, and on reactions to official visitors and prominent news stories. The popularity of various radio programs, both local and short wave, was also occasionally reported upon, and in addition, the observers supplied spot information on such things as local radio talent that might be worth bringing to the United States for short wave broadcasts to Latin America, outstanding news commentators, organizations in the other American republics composed of United States citizens, and similar matters.<sup>14</sup>

Meanwhile, there had been established a unit which received and processed the reports of the observers and performed certain other functions. One section of this unit was a Reports Section,

<sup>12</sup> Press release No. 16, February 8, 1941.

<sup>13</sup> Hadley Cantril to Don Francisco, May 8, 1941.

<sup>14</sup> Undated memorandum on "Types of Information Being Gathered by Export Information Bureau."

which was under the supervision of Mr. Robert Miller, former editor and owner of "The Hemisphere," a periodical which had been devoted to Latin American affairs.<sup>15</sup> Under his direction the information forwarded by the observers was processed and made available to various divisions of CIAA. In addition, there was a Propaganda Analysis Section, under the direction of Dr. Leonard Doob. This unit provided CIAA with detailed studies on Nazi propaganda strategy and techniques, utilizing all types of material available, including transcripts of short wave broadcasts provided by the monitoring service of the Federal Communications Commission and records of the Hellschreiber Service which the Germans sent by short wave to Latin American newspapers, which was forwarded by the observers.

In the early part of 1941, CIAA embarked on a well-intended but ill-fated program of advertising on a broad scale in the press of the other American republics. The official purpose of this program was to carry out a campaign to further travel from the other American republics to the United States, but its real objective was to serve as a vehicle for presentation of information on the United States which would serve to combat Axis propaganda.<sup>16</sup> The plan involved the purchasing of large amounts of advertising space in the press of the American republics, with the 4 A's used as the agency to handle the matter.<sup>17</sup> An "Inter-American Travel Committee" was set up on March 27, 1941, as a part of the project.

The travel advertising campaign was brought to the attention of the State Department early in the year, according to memoranda in the files of the agency.<sup>18</sup> At this time there was no requirement

<sup>15</sup> One of the observers, Mr. Jack Fahy, had also been a part owner of this magazine, which had utilized the services of persons in the other American republics, as well as an extensive clipping service, in gaining information for its issues.

<sup>16</sup> This program was officially described in a memorandum on the program of the Commercial and Financial Division in the following terms: "... there will be released within a month a very large newspaper advertising campaign throughout the American republics. While this campaign will be in the form of travel promotion, its primary purpose will be to tell the story we want to tell in those countries and to make it profitable for publishers in these countries to tell this story." Nelson Poynter, in a letter to Karl Bickel, March 13, 1941, noted that he was optimistic about the advertising campaign; "It will start out as innocuous travel advertising. I hope to see us convert it into hard-hitting political advertising in the very near future."

<sup>17</sup> Contract No. NDCar-11, dated March 3, 1941. Costs involved were not to exceed \$600,000.

<sup>18</sup> In a letter to Mr. Will L. Clayton on April 22, 1941, Mr. Nelson A. Rockefeller noted that "the basic objective of the campaign was discussed with representatives of the State Department over a period of the past three months, as was the advisability of placing travel advertising paid for by this Government in independent papers which were pro-Axis and anti-American in their editorial policy."

that specific projects be submitted for the approval of that Department and there is some indication that although consultation was carried out by different individuals with those of the Department, not all higher officials of the latter were fully informed as to what was contemplated.

The travel advertising project was put under way early in April and almost immediately adverse reactions were received from diplomatic representatives and other sources in Latin America. The most important points which caused unfavorable reactions were, in the last analysis, two. In the first place, Latin Americans were not accustomed to the type of advertising carried on in the United States, and immediately began to view the campaign as one to "buy" Latin American editors and owners over to the United States side by use of advertising contracts. The second factor was presented by a question of policy in regard to the many newspapers of the other American republics which were occasionally inclined to be pro-Axis in sentiment although not entirely committed to that cause. Some leaders in the agency felt that advertising should not be placed in any paper which was not definitely pro-Allied.<sup>19</sup> Others, however, felt that planting a certain amount of advertising with these papers might serve to convert them to the Allied cause, and it was the viewpoint of the latter which had won out in planning the advertising campaign. It was also not always easy to discover the ownership of newspapers, so that in some cases those with totalitarian sympathies were given contracts in error.

For a time in April it was hoped that the advertising campaign might be adjusted to meet these and some other objections, but this was not to be. At least in part as a result of the reaction to the advertising project, the State Department took the question of relative authority to President Roosevelt, and on April 22 the jurisdiction of the Department over all CIAA activities was established by a letter from President Roosevelt to Mr. Rockefeller, informing that all projects of CIAA must have State Department approval.<sup>20</sup> It was decided by the end of the month that the current advertising program would be terminated in its entirety on May 18; instructions had already been issued by the Coordinator that advertising

<sup>19</sup> Mr. Percy Douglas in a letter to Mr. Nelson A. Rockefeller on March 11, 1941, warned him that the plan of doing some advertising in anti-American media was unsatisfactory. He noted that many American concerns had already withdrawn advertising and would resent the use of these papers.

<sup>20</sup> See chapter 15 for further discussion of this matter.

in newspapers reported to be undesirable should be cancelled at once. The reasons specified for cancellation were: (1) unfavorable reactions of some papers on the ground of implied influences; (2) embarrassment caused by the fact that it had been necessary to discriminate among papers; (3) the practical difficulty of adapting advertising to local conditions in each of 20 different countries; and (4) the anomaly of making large expenditures on behalf of travel when other more worthwhile projects needed support. At the time, the latter reason was most emphasized as the cause for discontinuance of the travel campaign; to say the least, it was inconsistent that travel advertising should be carried out on a large scale at a time when conditions connected with the war were making any travel more and more difficult.

The Coordinator instructed the 4 A's to discontinue the travel advertising program beginning May 18, 1941, but instructed it to prepare materials for a new campaign or campaigns.<sup>21</sup> By June 3, however, it was clear that the State Department had become convinced that any kind of advertising program would be unfortunate.<sup>22</sup> By September, in conferences between CIAA and representatives of the Export Information Bureau, cancellation of the contract was discussed. For some reason, however, actual cancellation of the contract was not carried out on March 3, 1942, after a long period of inactivity.

The advertising campaign was not directly connected with the system of observers employed by the Export Information of the American Association of Advertising Agencies for the benefit of CIAA, and their use was continued a few months longer, although in some cases the local United States embassies objected to the activities of individual observers.<sup>23</sup> It was then supplanted as a field organization by the coordination committees, composed of selected American citizens resident in the larger cities of the other American republics.<sup>24</sup> By January 1941, it was decided that the contract with the 4 A's for the maintenance of the

<sup>21</sup> Don Francisco to John Benson, May 5, 1941.

<sup>22</sup> Mr. Carl B. Spaeth in a letter to the Coordinator on June 3, 1941, noted that because he was sure that no substantial advertising program could win the approval of the State Department, he recommended that steps be taken to terminate the contract with the 4 A's.

<sup>23</sup> Most of the observers were satisfactory to the embassies; a letter of John C. Drier to Laurence Duggan, (a copy of which is in agency files, dated November 13, 1941) stated that the one in Mexico was doing a most interesting job in surveys of public attitude and that the Embassy believed these surveys of considerable value.

<sup>24</sup> See chapter 20 for full discussion of this development.

observers also should be allowed to expire on March 3, 1942.<sup>25</sup>

Meanwhile, the work of the Reports Section and the Propaganda Analysis Section was considered valuable enough to become a part of the regular CIAA organization,<sup>26</sup> and both continued to operate for the remainder of the war. In regard to the Reports Section, somewhat later an extensive newspaper clipping file which had been the property of the Hemisphere Corporation, together with its reports and library, were made available for use by the Coordinator.<sup>27</sup> In February 1942, the unit was shown on one chart, associated with the Health and Sanitation Division and the Regional Division, as under the direction of an Assistant Coordinator. Shortly afterward it was made a part of the Directive Division, under the title of "Political Analysis Section." When the Department of Information Services was established in February 1943,<sup>28</sup> this Section became a part of the Resources Division, associated with a parallel section to carry out economic analysis and another which did research in social matters and other subjects. The CIAA Library was also part of this Division. When the Department of Information Services was abolished, the Resources Division was transferred to the Department of Economic Development, where it remained until 1945 when it was again consolidated with the Content and Planning unit to form a "Guidance and Reference Division" in the Department of Transportation and Economic Development. It was transferred to the Interim Information Service in August 1945.

The Political Analysis Section during its existence published several bulletins for the use of CIAA and other interested government agencies. One of these was the "Daily Information Bulletin," which under country headings gave con-

densed summaries each day of the news of the hemisphere drawn from AP, UP, and INS wire services, ten or a dozen of the leading newspapers of the United States, and the monitoring service of the Federal Communications Commission. For a time it also distributed a "Monthly Summary of Activities" digested from the Daily Bulletin. A weekly "Digest of Periodicals" prepared by the Library of Congress under a CIAA project was edited and distributed by the Political Section. It likewise supplied the agency with various reports of a political nature including such things as a list of cabinet ministers of the other American republics (brought up-to-date periodically), and studies on current political situations or problems. The Political Analysis unit also regularly digested, for the confidential use of the Coordinator and a few top officials, restricted materials from the State Department, Army and Navy Intelligence Services, and the Federal Bureau of Investigation, and was available to supply spot information in the political field whenever necessary.

The Propaganda Analysis unit, also set up as indicated in connection with the work of American Social Surveys, Inc., and transferred to CIAA in the fall of 1941, was to continue its operations until June 1945. Like the Reports Section, it was transferred from one division to another, being for a time a part of the Directive Council and then, in December 1942, going to the Press Division, where it was merged with a somewhat similar section which had been built up there.<sup>29</sup> Here it remained until the middle of 1945, when it rejoined the other reporting units as a part of the Guidance and Reference Division. The operations of the Propaganda Analysis unit have been indicated earlier; it examined press materials and data obtained through radio monitoring services by FCC to keep watch on developments in enemy propaganda activities. During the latter part of its history, it prepared a daily "Propaganda Analysis Bulletin," and also a weekly review. In addition it carried out press analyses as requested and prepared special reports. It maintained files containing specific and general material covering Latin American press publications and news facilities, and data relating to foreign information activities in Latin America as well as other material on the political and cultural frameworks of Latin American news and information media.<sup>30</sup>

<sup>25</sup> A letter of Nelson A. Rockefeller to Richard Turnbull on January 22, 1942, instructed the Export Information Bureau of the 4 A's that the contract for the observers (NDCar-35) would be allowed to expire on March 3 and that the advertising contract (NDCar-11) would be also terminated on that date.

<sup>26</sup> John C. McClintock to Nelson A. Rockefeller, August 5, 1941. This letter noted that the matter of conducting further public opinion surveys was at this time still awaiting decision by the State Department.

<sup>27</sup> This Corporation had published the Hemisphere magazine, of which Mr. Robert Miller, head of the section, had been editor and part owner. The clipping service had been started before the war, was added to by the observers, and was later carried out by means of the coordination committees. It comprised a regular selection of items concerning various activities chosen from leading Latin American newspapers. Eventually, in 1944, the file and other assets of the Hemisphere Corporation were purchased by CIAA.

<sup>28</sup> Staff memorandum of February 22, 1943. The Department included the Resources Division, the Content and Planning Division, and the Regional Division.

<sup>29</sup> George Dudley to John E. Lockwood, December 15, 1942.

<sup>30</sup> An interesting proposal to extend the work of this unit in connection with the Committee for Political Defense organized at the Rio Conference is discussed in chapter 17.

The directors of the information program of CIAA were concerned with the proper selection of items to be emphasized from an early date in their operations. By the fall of 1941 this aspect of the information program was directed by a Content Committee formed for the purpose and composed of the Directors of the Press Radio and Motion Picture Divisions and the Assistant Coordinator in charge of "Psychological Warfare."<sup>31</sup> When in the spring of 1942 the Coordinator created the "Directive Council" to aid in policy planning for the agency, one of the units under this Council was a Propaganda Committee. Membership of this group was comprised of representatives of the several information divisions, with likewise two members of the State Department present to maintain the liaison particularly essential in this field.

In the fall of 1942 content planning was given special significance. The invasion of North Africa by the United States forces was imminent, and information on the progress of this invasion, and its use as a medium for emphasizing the war program of the United States was recognized both by the military staffs and the agencies of the Government concerned with dissemination of information as needing very particular planning to gain its greatest effectiveness. As a result, the Coordinator and the men in charge of the information program bent every effort for some weeks toward the integration of their program for Latin America with that of the entire Office of War Information plan, and worked out its details in the utmost secrecy so that they would be properly timed with the invasion, and so that each step would work smoothly and effectively. With the start of the invasion, through the Department of State the Coordinator directed all coordination committees to develop certain themes in their information activities and to point out such things as the United States military strategy to encircle the Axis, and to free France in the start of an aggressive campaign which would not be ended until the war was over. In addition to observing the general content directives issued, the committees were to inform the Coordinator of statements made by local authorities and public figures regarding the North African operation, to cable excerpts from favorable press editorials for dissemination elsewhere in the hemisphere, and to

<sup>31</sup> As shown in a chart dated September 16, 1941. Members of the Committee were Assistant Coordinator Wallace K. Harrison and Don Francisco of the Radio Division, Francis A. Jamieson of the Press Division, and John Hay Whitney of the Motion Picture Division.

watch for and report on favorable demonstrations or statements by groups of Europeans in each particular country. They were also to try to secure favorable expressions of opinion from leading figures in each republic. The whole operation of the information groups was thus coordinated through a small group in Washington who directed and selected content in the information programs for all of the other American republics on a common basis.<sup>32</sup> A similar specific content directive program was planned in advance of D-day.

The now well-organized Content and Planning Division was placed in the Department of Information Services when the latter was organized in February 1943, and according to instructions issued then, was made responsible for "advanced plans and current guidance to insure consistency and effectiveness in the variety of materials produced by the Information Department." It made use of confidential outlines of policy communicated to CIAA from departments and independent agencies engaged in the prosecution of the war, as well as all other information of an intelligence character received through normal liaison with such agencies as the State Department, OWI, Army and Navy Intelligence groups, Office of Strategic Services, Federal Bureau of Investigation, and the Board of Economic Warfare. On a basis of such information it prepared regular daily, weekly, and special Content Directives for distribution to the coordination committees and diplomatic missions in the other American republics, to radio stations in the United States, and to various divisions of CIAA itself. The Content Planning Committee continued to operate regularly on this basis, but was transferred later to the Department of Information. In 1945 it was combined with other research units for a time to form a Guidance and Reference Division; it was discontinued following transfer of information activities to the Interim Information Service.

As CIAA developed its information program, it was found necessary to have charts and other graphic materials to illustrate progress made not only in this field but all others. At first this was done for the agency by the Works Progress Administration,<sup>33</sup> but it was soon found more satisfactory to do it within the organization. A "Graphic Reports unit" was developed, and associated with its operations was a well-equipped

<sup>32</sup> The Coordinator received letters of commendation from military leaders for the cooperation of CIAA in the information operations.

<sup>33</sup> Andrew V. Corry to Carl B. Spaeth, October 21, 1940.

chart room which was regularly used for presenting the progress of various programs by charts and graphs, brought up-to-date constantly by the unit.<sup>34</sup> This room was also equipped to show motion pictures and, being about the only air-cooled room in the Commerce Building (in which CIAA was located during most of its history), it was utilized to the maximum. The Graphic Reports Section was transferred from department to department, as in the case of several of the service

<sup>34</sup> The unit was usually simply called "the chart room" in agency memoranda.

units. At first it was a part of the Administrative Division, then placed under the Directive Council, next attached to the Department of Economic Development, then transferred back to the Administrative Division, and finally assigned to the Guidance and Reference Division. The work produced by this unit was effective and it served the agency well in presentation of its programs before Congressional committees and at the White House.<sup>35</sup>

<sup>35</sup> Chart material used in this work was prepared by the Graphic Reports Section.

## CULTURAL AND EDUCATIONAL ACTIVITIES

When plans were being made in the summer of 1940 for organization of the agency, the furtherance of cultural relations between the republics of the Western Hemisphere was included as one of its functions and even included in the title of the agency as first designated. While the Coordinator's first interests had been in the field of commercial and financial operations, he and his associates willingly accepted responsibilities in the cultural relations field, and organized in the fall of 1940 a division under that title to carry out the work. Dr. Robert G. Caldwell, Dean of the Humanities of the Massachusetts Institute of Technology, was selected to head the Division, and a number of committees were appointed to direct its operations. While these committees varied somewhat in title during the next year and a half, some five normally functioned, and when first set up were listed as follows: Scholarship, Literary, Publications, Music, and Art. An additional committee, called a "Policy Committee" was named to aid Dr. Caldwell in directing cultural operations.<sup>1</sup> By early 1941 the committees were entitled Art, Music, Literary, Publications, and Education, with an additional one handling Fellowship Interchange created shortly afterward.<sup>2</sup> The personnel of these committees was made up of distinguished men in the various fields indicated.

The Coordinator's Office had a competitor in the field of cultural relations from the start, for a Division of that name in the Department of State had been functioning for some years, organized particularly as a result of discussions carried on in various inter-American conferences. This Division had been interested in programs involving interchange of persons in the field, and in the

furtherance of teaching of Latin American subjects in United States schools, interchange of publications, and associated matters. Only a comparatively limited amount of funds had been available for its activities, however. Cooperation between CIAA and this Division in the State Department were established fairly early, and in April 1941, President Roosevelt instructed the Coordinator to institute arrangements for assuring that in all instances projects originating in his Office should be discussed fully with and approved by the Department of State, and a full meeting of minds obtained before any action or commitments were made.<sup>3</sup> In accordance with the President's request meetings were held and on June 6, 1941, a memorandum of agreement was drawn up between CIAA and the Department of State whereby there was established a Joint Committee to consider projects in the field of cultural relations.

This Committee, which was to function during most of the life of CIAA, was to do two things: (a) determine the basic policy to be followed in the hemisphere with regard to cultural relations, and (b) determine the division of functions and the allocation of projects and accompanying grants from the Coordinator's funds to the Department of State, CIAA, other government agencies, and private organizations. The Joint Committee represented not only the Coordinator and the State Department but likewise included a member of the American Council of Learned Societies representing private agencies.<sup>4</sup> In further discussions it was agreed that in all cases individual projects would be submitted for clearance as to policy determination by the State Department, after approval by the Joint Committee, and it was also

<sup>1</sup> Press release 6, November 14, 1940. The Policy Committee was composed of William B. Benton, then Vice President of the University of Chicago and now as Assistant Secretary of State, and Henry R. Luce, Chairman of Time, Inc.

<sup>2</sup> As shown in contemporary charts.

<sup>3</sup> Franklin D. Roosevelt to Nelson A. Rockefeller, April 22, 1941. See also chapter 15 for further discussion.

<sup>4</sup> Dr. Waldo G. Leland was the representative chosen to represent the private groups.

agreed that projects would receive individual approval likewise by CIAA after discussion by that committee.<sup>5</sup>

When the United States actively entered the World War following the attack on Pearl Harbor, the Policy Committee of CIAA immediately considered the advisability of reorienting the program of the Cultural Relations Division with a view to "double all cultural efforts and speed up their execution, but with new accent tuned to new developments."<sup>6</sup> A study was immediately made of projects then in operation, and each one considered in the light of the new situation. These projects were classified in four categories, as follows: Class A: those having an immediate defense significance; Class B: those having secondary defense significance, including a direct propaganda effort; Class C: those having an immediate influence on improving Latin America's sympathy for the United States; Class D: those having a long-range influence on promoting hemisphere understanding. It was recognized that few projects of the Cultural Relations Division were in Class A, and that those in Class B were in the main concerned with health and security activities such as medical and dental training, housing, and labor activities. In Class C there were a number of projects concerned with bringing persons of influence in all fields from the other American republics to the United States, in order to further their interest and enthusiasm for hemisphere solidarity; there was likewise a certain proportion of projects under Class D which should be continued, to indicate the sincerity of the United States interest in the hemisphere as a whole. In following months those interested in working with cultural relations in CIAA tried to concentrate efforts upon projects which would fit into the pattern just indicated.<sup>7</sup>

In the spring of 1942 the organization of the Office was changed somewhat by abolition of certain of the original divisions and the creation of new ones. Cultural relations activities now fell largely to the direction of a unit of the Information Department called the Science and Education Division. Some functions which had been performed by the earlier Cultural Relations Division, however, were now taken over by new sections of CIAA; for example, projects in the field of health

and social security now tended to gravitate to the divisions of The Institute of Inter-American Affairs, while some functions in the publication field eventually became a part of Press and Publications Division operations.

Further delimitation of activities in the cultural field between CIAA and the Department of State occurred during the first half of 1943. In line with this decision, full administrative responsibility for long-range projects such as those concerning the Arts, Music, Students Interchange, Cultural Institutes, American Libraries, and the American-Sponsored School programs was assigned to the Division of Cultural Relations of the Department of State.<sup>8</sup> The Science and Educational Division of CIAA retained responsibility in regard to educational projects at the elementary, secondary, and teacher and school administrator training levels, as well as development and distribution of instructional materials and activities in the field of literacy. This part of the program was held to be more nearly an emergency type of activity.<sup>9</sup>

Shortly after this, CIAA organized a subsidiary corporation, the Inter-American Educational Foundation, Inc., to carry out that part of the activities in the educational field which had been assigned to it.<sup>10</sup> It was planned that activities would be started on a cooperative plan (somewhat similar to that already employed by The Institute of Inter-American Affairs) in order to develop the educational program in Latin America in the fields of primary, secondary, and teacher training.

The Inter-American Educational Foundation, Inc., at first met with problems in working out agreements and getting its programs started, so that when the existence of CIAA was terminated on May 20, 1946, the educational program was in reality just getting well started. The corporation was transferred to the jurisdiction of the Department of State as a separate entity, on the same basis as The Institute of Inter-American Affairs and other CIAA corporations, and its operations are continuing until agreements in force have been carried out.

The operations of CIAA in the field of cultural relations and education vary definitely as to scope during the agency's existence. In the first year and a half, the Cultural Relations Division undertook

<sup>5</sup> A memorandum on functions of the Joint Committee, May 21, 1942.

<sup>6</sup> Minutes of Executive (or Policy) Committee meeting, December 9.

<sup>7</sup> A memorandum from John M. Clark to the Policy Committee on Cultural Relations Division activities, December 11, 1941, noted that fourteen months of activities had taught the Division two general axioms: (1) It pays best to bring *people* north to the United States; (2) It pays best to send *things* south to Latin America.

<sup>8</sup> Memorandum on division of responsibility between the Division of Cultural Relations of the Department of State and the Division of Science and Education of CIAA (no date).

<sup>9</sup> See chapter 15 for further details.

<sup>10</sup> The Corporation was created on September 25, 1943, under the laws of the State of Delaware (see chapter 19).



a large number of projects ranging from the arts to such fields as those of public health and labor relations. With the coming of the war, the work assigned to the Science and Education Division was narrowed somewhat, with more emphasis laid upon projects educational in their nature. The field was further narrowed in 1943 by agreement with the State Department that CIAA would tend to devote most of its attention to activities of an emergency nature, particularly connected with the training of teachers and the supplying of educational materials in the other American republics.

In the first year and a half of operations, as just noted, the Cultural Relations Division undertook a great number of projects varying widely in type; a discussion of these individually is impossible in a study the size of the present one. A memorandum in Office files states that when Dr. Caldwell first took up his work he found a pile of documents on his desk 2 feet high proposing all kinds of projects ranging from the completely hair-brained to those with a great deal of merit. There seems to have been no particular attempt made to work out the cultural relations program according to a set pattern, for it was felt that within a reasonable period of time such a pattern would develop of itself.<sup>11</sup> The establishment of the various committees noted earlier provided an arrangement to cover the greater number of items proposed for action, while others could be considered and approved individually as special projects. In order to indicate types of activities in the prewar period, certain projects illustrating the ideas and plans of the Cultural Relations Division are described in the following paragraphs.

In the field of the arts, several rather ambitious projects were undertaken. In the summer of 1941, CIAA sent the American Ballet Caravan directed by Lincoln Kirstein on a 28-week tour of the other American republics. The Caravan was composed of 40 young American dancers who gave a repertoire of 8 programs based on United States music and themes. The particular idea back of this project was to counteract the frequently made assertion that the United States was destitute of all forms of artistic development.<sup>12</sup>

Another project suggested by President Roose-

<sup>11</sup> From an interview with Dr. Robert G. Caldwell on July 3, 1941, recorded by W. O. Inglis.

<sup>12</sup> There is some debate over the success of the Ballet Caravan; in general it seems to have been very well received, although a few observers felt that a more conventional type of ballet would have been more popular in Latin America. The tour involved expenditure by CIAA in the neighborhood of \$100,000.

velt to the Coordinator in March, 1941, involved granting a commission to the sculptor Jo Davidson to visit 10 south American republics and make, for the United States Government, portrait busts of their presidents. The Art Committee of the Cultural Relations Division of CIAA made the necessary arrangements, and the Department of State granted its consent for the tour. Mr. Davidson carried out the commission in the next several months, armed with a special passport and letters of introduction from President Roosevelt to the presidents of the 10 republics. The portraits were cast in bronze and formally presented at the National Gallery of Art in Washington on June 27, 1942.<sup>13</sup>

Still another type of project handled by the Arts Committee of the Cultural Relations Division was the exhibition of 300 contemporary United States paintings in oil and water color in the other American republics in the summer of 1941. These pictures were on loan from the Metropolitan Museum, the Brooklyn Museum, the Whitney Museum, and the Museum of Modern Art, and were exhibited in the principal cities of at least ten of the other American republics. The pictures were sent on three separate itineraries, each under the direction of experts in the field of art. Later, CIAA carried out exhibitions of the work of Latin American artists in the United States.

The Coordinator also backed the dispatch of ten archeological expeditions to key areas in Latin America at the request of government officials and social science groups. Studies were under the supervision of the Institute of Andean Research and included field surveys in Colombia, Ecuador, Peru, Chile, Brazil, Nicaragua, and Mexico. At least a score of articles printed in various archeological journals recapitulated the information gained by this research project.

In the field of music, one of the early projects of the Cultural Relations Division was to send the 62 members of the Yale Glee Club to South America in the summer of 1941. The Club visited the eastern coast of South America and from there visited certain cities on the Pacific; on the tour, engagements included 25 concerts and 2 radio broadcasts. According to reports in agency files the Glee Club was very well received.<sup>14</sup> Other

<sup>13</sup> New York Times, June 27, 1942.

<sup>14</sup> Programs included a wide range of selection, such as songs of the sea, spirituals, and many items by contemporary Latin American composers delivered in Spanish or Portuguese.

projects in the field of music were such things as the preparation of a bibliography of Latin American music books and reference material under the auspices of the Pan American Union, which was authorized in March 1941, and the cataloging of music materials already in possession of the Union. It was desired to establish a strong inter-American music center at this institution. Another project was authorized to aid the Library of Congress in exchanging folk music recordings; motion pictures, and photographs with the *Disoteca Publica Municipal* of Sao Paulo, Brazil.

A number of projects were undertaken in the field of publication. One of these was a project authorized for the preparation and distribution, through regular trade channels, of a comprehensive guidebook on the other American republics. Aid was also given to Latin American publishers in the translation and publication of volumes by United States authors. Two basic histories of the United States were also translated for distribution in Latin America, and the Division backed preparation of anthologies of Latin American literature and poetry for use in this country. One definite achievement in the field of publication was the success of the Coordinator in securing from the Post Office Department a reduction in regard to postal rates on books, so that such published materials could be sent to the other American republics with greater economy.<sup>15</sup>

From the start CIAA gave much support to projects in the education field. Considered particularly important was the exchange of persons prominent in the educational world between the universities of the other American republics and those of the United States. Exchange activities were under the direction of a Committee for Inter-American Artistic and Intellectual Relations, whose members were directors of the Guggenheim, Carnegie, and Rockefeller Foundations — Henry A. Moe, Frederick Keppel, and David H. Stevens, respectively. The Office allocated \$100,000 to the Committee for this work and exchanges were carried out under this program with responsibility transferred to the State Department in 1943.<sup>16</sup> Additional activities in the

<sup>15</sup> A letter of Carl B. Spaeth to Nelson A. Rockefeller, January 9, 1941, noted that Vice President Henry A. Wallace at the Coordinator's request had discussed the matter of postal rates with the President and with the Postmaster General, strongly backing the idea.

<sup>16</sup> Report on the Cultural Relations Program, August 1941, noted that scholarship grants had been made to more than 30 outstanding professors, graduate students, and scholars, and that many exchanges of technicians and specialists involving fields such as social service work, public health, medicine, nursing, engineering, and chemistry, had been carried out.

field of education were such things as the stimulation of conferences of the type of the New Education Fellowship Conference at Ann Arbor, Michigan, in 1941, and financial and other aid given to educational institutions in establishing special courses, lecture series, and institutes.<sup>17</sup>

In addition to these efforts in the United States, CIAA advanced aid in the field of education in the other American republics. One extensive project was the allotment of funds to strengthen United States schools in Latin America which were experiencing hardships, and whose maintenance was considered essential in combating the growth of German and Italian schools. The Department of State and the United States Office of Education cooperated with CIAA in this program.<sup>18</sup> The Coordinator also distributed in Latin American schools all types of materials such as books, films, recordings, and traveling exhibitions of teaching units. Every effort was also made to stimulate the teaching of English in schools in Latin America.

One of the first activities of the agency in the cultural field was to give aid to United States cultural institutes and American libraries in the other American republics as important agencies in the strengthening of cultural ties between this country and the other American republics. The program was carried out in cooperation with the Department of State. Existing organizations were enabled to increase the scope of their activities, while new ones were established at places where none existed. For example, aid was extended to cultural institutes in Rio de Janeiro, Sao Paulo, and Porto Alegre in Brazil through the American Brazilian Association under contract with CIAA. A grant-in-aid was likewise given, through the American Council of Learned Societies, for a further program of initial aid to cultural institutes in Chile, Honduras, Mexico, Venezuela, Uruguay, and Nicaragua.<sup>19</sup> In late 1941 the agency proposed to advance nearly \$65,000 to the American Council of Learned Societies to be expended by that body in further-

<sup>17</sup> The Universities of Texas, Chicago, California, Harvard, and the Massachusetts Institute of Technology had been assisted in arranging lectures, round-table discussions, and courses which emphasized Latin American subjects. The agency also backed one special summer seminar at the University of North Carolina in 1941, designed for a group of students from the other American republics.

<sup>18</sup> A survey of schools was made by Andrew V. Corry of CIAA and submitted to the Secretary of State on September 22, 1942, under the title "Memoir Proposing American-Sponsored Schools Program, 1942-43." This survey was based on a memorandum of agreement between CIAA and the State Department dated November 24, 1941.

<sup>19</sup> As noted in project authorization submitted for further aid in this field on December 23, 1941.

ing the program of these institutes, and in succeeding years CIAA was to grant further aid to institutes with the approval of the State Department and under recommendation of the Joint Committee, until this part of the task became the responsibility of the Department of State in 1943.<sup>20</sup>

In addition to the institutes, CIAA was to grant aid to the establishment of libraries, utilizing both the American Council of Learned Societies, the American Library Association, and the cultural institutes as mediums. One of the most important projects in this field was the development of the Benjamin Franklin Library in Mexico City under the direction of an official of the New York Public Library and through means of a grant-in-aid to the American Council of Learned Societies; eventually over \$80,000 was contributed to it. The plan involved the acquisition of the best American books on science and art, literature, mechanical training, public health, nursing, and similar subjects giving a good background of United States civilization. The libraries were also to serve as a United States center, where it would be possible to offer classes to teach Spanish to citizens of the United States, and to hold conferences and show films.

In addition to aid given to cultural institutes in the other American republics in 1940 and 1941, CIAA gave much attention to a project for establishing in the United States an extensive cultural center or institute. This idea was first proposed from a private source to the Department of State in the form of a research institute for the comparative study of Brazilian culture to be established at some North American university.<sup>21</sup> In August, 1940, Walter B. Pitkin of Columbia University submitted a program for the establishment of four institutes of "Hemisphere Trade and Culture," two in North America and two in South America; these institutes would train young manufacturers, salesmen, and exporters in all phases of commerce and industry on a regional basis. The institutes could also serve as clearing houses for laboratory work on products and natural resources, while research groups could be sent to special areas to study conditions and prospects. Further studies on the institute plan

<sup>20</sup> Total commitments of CIAA for 1942-43 were estimated to amount to about \$245,000 (memorandum on cultural institutes and libraries, no date).

<sup>21</sup> A resume of the background of the proposed Institute was made by Mr. Wallace K. Harrison to members of the Joint Committee, October 20, 1941.

were then made in CIAA by Mr. Wallace K. Harrison, then Chairman of the Division of Cultural Relations and suggestions were received from such persons as Dr. Samuel F. Bemis of Yale University and Dr. Isaiah Bowman, President of John Hopkins. Finally, a proposal for a project was outlined, which listed the following purposes for the proposed United States Institute: (1) to serve as a center for information on the various Latin American republics; (2) to serve as a center for instruction for young businessmen, diplomats, and students planning to take up professional residence in a Latin American republic; (3) to provide advice and instruction for a small number of able young men who desire to become Latin American specialists, especially in economics and commerce fields. The Institute was to utilize existing library facilities in acting as a clearing house of information. It would serve as a center for occasional publications intended to add to existing knowledge on subjects connected with Latin American life and institutions. As a center of instruction, it would offer two types of courses: short courses for students planning immediate residence in Latin American countries, and longer courses for students who desired to become Latin American specialists.

The institute proposal received further study and was finally taken up by the Joint Committee on September 17, 1941.<sup>22</sup> It was proposed to establish the Institute under a special charter granted either by Congress or under the laws of the State of Delaware. Activities where possible were to be channeled through existing organizations, and it was to carry out the following functions: (1) provision of special training resources for the preparation of United States citizens going to the other American republics and for citizens from the other American republics requiring instructions; and (2) provision of legal interchange, especially with regard to the dissemination of information on legal systems in the United States and in the other American republics.<sup>23</sup>

The proposed United States Institute was never to come into existence as such. Many of the functions which would have been assigned to it, however, were eventually carried out by CIAA. The Training Administration, for example, took over the task of training Latin Americans coming to the United States, while certain organizations to

<sup>22</sup> Harrison statement to Joint Committee, October 20, 1941.

<sup>23</sup> *Ibid.* It was tentatively proposed to expend \$335,000 on the project at this time.

train personnel going to Latin America were created separately.<sup>24</sup>

Another project, typical of certain special activities which are hard to classify in any one field, was the backing supplied by CIAA for the establishment of an Institute of Tropical Agriculture. This idea had been proposed a number of years earlier. After 1932, it had become a project of particular interest to Secretary of Agriculture Henry A. Wallace, who had given it a strong endorsement at the Eighth American Scientific Congress held in Washington in May 1940. At this time he also advocated a plan for preparation of complete data on the subject as well as for general promotion of a better balanced agricultural economy in the Western Hemisphere.

The Coordinator received a memorandum from an official of the Department of Agriculture in regard to this project (which might be classified either under the heading of education or agriculture), as early as September 1940, with the basic plan presented looking toward the establishment of an agricultural research center dedicated to the encouragement in the hemisphere of noncompetitive tropical crops. By the spring of 1941 it had been visualized as a Pan American Institute which would have a governing board with a representative from each of the participating American republics. Between September 1940 and May 1941, representatives of CIAA had had further correspondence with the Office of Foreign Agricultural Relations in the Department of Agriculture on the matter; it was felt to be outside the program of the then Cultural Relations Division and was also considered as possibly "somewhat too ambitiously formulated for the moment,"<sup>25</sup> although it contained elements of genuine promise. The agency apparently took no further action on the matter during this period of time.<sup>26</sup> In May, however, CIAA officials heard that President Roosevelt was shortly to recom-

mend to Congress an appropriation of somewhat over \$500,000 to establish the Institute, and that the project might be assigned to the State Department as a part of its program. On June 5, 1940, the Governing Board of the Pan American Union set up the Inter-American Committee on Tropical Agriculture to study the project of forming an institute, and to make specific recommendations; this Committee was composed of representatives of nine American republics including the United States, and was not only to take up the problems to be met in establishing the Institute but also to arrange for selection of a possible site. In the next few months the Coordinator participated in further discussions on the matter, and considered the possibility of using funds which had been allocated to an advertising campaign, recently cancelled, for furthering the Institute idea.<sup>27</sup> Information was gained on preparatory work necessary and a small sum was authorized to cover a preliminary survey trip by Department of Agriculture employees.<sup>28</sup>

The announcement of CIAA as the agency to carry out the project for establishment of an Inter-American Institute of Tropical Agriculture was made on September 26, 1941, by the Coordinator, who at the same time stated that a Division of Agriculture would be created in his agency whose primary objective would be the Institute project.<sup>29</sup> The Tropical Institute project was approved by the Executive Committee of CIAA on October 2, 1941, and \$500,000 authorized for its furtherance. The Department of State gave approval on November 17, 1941 and on February 26, 1942, in a formal letter to Dr. L. S. Rowe, Director General of the Pan American Union, the Coordinator proposed a plan for the incorporation and operation of the Tropical Institute, and notified him that CIAA had authorized the expenditure of the sum noted above for the "advancement of education and research in the field of agriculture in the American republics."

This proposal, however, was never presented to

<sup>24</sup> Special training projects for government personnel being sent to the other American republics were established through a contract between CIAA and the American Council of Learned Societies. Two centers were established in 1942, one in Washington and one in Philadelphia, and these were open to all branches of the United States Government and were particularly designed for officers of the Army, Navy, and Air Forces. The Philadelphia center operated only during the summer of 1942; a project authorized July 20, 1943, provided for continuation of the Washington center during the 1944 fiscal year. At the time this authorization was proposed, the Washington center had had some 1350 trainees enrolled.

<sup>25</sup> A statement ascribed to Raymond Fosdick in a memorandum from John M. Clark to the Coordinator dated May 20, 1941.

<sup>26</sup> *Ibid.* Mr. Clark noted that "on September 27 you received from Leslie Wheeler a plan to establish an Institute of Tropical Agriculture." Mr. Wheeler was head of the Office of Foreign Agricultural Relations of the Department of Agriculture, and had been one of the men consulted occasionally in connection with the founding of CIAA.

<sup>27</sup> A letter from the Coordinator to John M. Clark on June 10, 1941, transmitted a memorandum on the Tropical Agriculture Institute which was interesting Vice President Wallace.

<sup>28</sup> Nelson A. Rockefeller to Earl N. Bressman, August 13, 1941. The Coordinator at this time felt that responsibility for the project should rest in one agency although it should go forward until that responsibility had been finally allocated.

<sup>29</sup> Press release No. 70. The new Agricultural Division was to be headed by Dr. Earl N. Bressman. According to one official of the agency, the Agricultural Division had been created at the request of Mr. Wallace, who also had endorsed the appointment of Dr. Bressman, who had been Assistant Director of the Office of Foreign Agricultural Relations and a close associate of Mr. Wallace while the latter had been Secretary of Agriculture (E. H. Robbins to Carl B. Spaeth, August 25, 1941).

the Board of Governors of the Pan American Union because of a decision of the Department of State to establish the Institute on basic principles somewhat different from those set forth in the Coordinator's letter of February 26 to Dr. Rowe. Instead, with the approval of the Department of State, the Pan American Union, and CIAA, the Institute was incorporated under the laws of the District of Columbia on June 18, 1942 as the "Inter-American Institute of Agricultural Sciences."<sup>30</sup> On October 7, 1942, the by-laws of the Institute were adopted by the Governing Board of the Pan American Union, and on the same date this body approved establishment of the site of the Institute at Turrialba in Costa Rica. Following incorporation of the Institute, a draft of the convention establishing it was prepared and presented to the twenty-one republics for ratification.<sup>31</sup> Under the convention, the Institute was to be maintained by annual quotas paid by each contracting state, with the Pan American Union acting as fiscal agent. Dr. Earl N. Bressman (who left CIAA somewhat later to take the post) was selected Director of the Institute.

Further development of the Institute of Tropical Agriculture need not be discussed in detail in this work, since in essence it became a project outside of CIAA control when it was established as an inter-American body. To summarize agency participation, as noted CIAA had initially authorized expenditure of \$500,000 to start the project. A part of this sum was transferred to the Department of Agriculture to pay for initial expenses involved in drawing up working plans for buildings, outlets, and services. In June 1942 the sum of \$465,000 remaining from the original amount was granted to the Pan American Union under an agreement that \$100,000 would be used for administrative expenses and the remainder for construction. A request for additional funds was received from the Institute in the latter part of 1942, but this was not granted at the time, since the Coordinator felt that the project under the convention should be supported by the several American republics. In succeeding months difficulties followed in regard to obtaining construction material and in meeting costs which had been incurred beyond the original amounts advanced.

Further requests from time to time were made to CIAA for additional funds, both for construction and administrative expenses, particularly with a proposed 5-year program submitted in September 1943 which contemplated the expenditure of nearly \$900,000 for extensive construction purposes up to 1948. The Coordinator, however, held that his responsibility to Congress for funds did not allow him to commit them where authorization had not been specifically granted by Congress for allocation to the Institute program.<sup>32</sup>

Early in 1944, at the request of the State Department, the Coordinator did advance \$85,000 for operating expenses of the Institute for the remainder of the 1944 fiscal year, and agreed to request an additional sum from Congress for the same purpose in 1945.<sup>33</sup> The Bureau of the Budget reduced to \$75,000 the amount included in the Coordinator's budget for operating the Institute during 1945, and this amount was granted by Congress (it was slightly less than half of what had been estimated by the Institute as necessary for this purpose). This sum was made available to the Pan American Union for operating expenses of the Institute.

Meanwhile, all construction work had stopped on the Turrialba project since funds were insufficient to meet the plans as originally prepared. In 1944, after an inspection by the Department of State, that agency requested CIAA to complete construction then under way, both by financing and supervising the actual work. This was agreed to by CIAA, and under agreement with the Department and the Bureau of the Budget, the Coordinator in June 1944 transferred \$300,000 to the Institute for use in completion of construction. Several of the buildings of the Institute were finally completed, and put into use during the past year.

The Cultural Relations Division also had supervision over matters which at first glance would seem somewhat far removed. One of these was sports, and several projects were carried out by a Section set up for this purpose. Late in 1940 CIAA invited a Chilean ski team to the United States for a 6-month tour of major skiing centers. The team raced and was entertained in a number of skiing areas in 23 States, and took part in many tournaments. The following year a South

<sup>30</sup> As recapitulated in a memorandum from William T. Thurman, August 9, 1944, transmitting to Mr. Rockefeller a report on the history of the Institute written by Mr. Kenneth Iverson.

<sup>31</sup> By the summer of 1944, the convention had been signed by twelve countries and ratified by four republics. It later became effective when ratified by a fifth state.

<sup>32</sup> William T. Thurman to Nelson A. Rockefeller, August 9, 1944.

<sup>33</sup> On December 31, 1943, Vice President Wallace wrote to the Coordinator that he hoped that it would be found possible to allocate the money requested to cover operating expenses, because of the importance of the project.

American ski delegation visited the United States for the purpose of making special studies of Red Cross and U. S. Army ski forces, including methods of patrolling, giving first aid, and military strategy and techniques. CIAA also supported the tour of the American Lawn Tennis Team in 1941 to several republics; it participated in many matches and started several tennis schools. Still another sports pilgrimage promoted by the Travel Section was the visit of a swimming team of South American champions to the United States in late 1941. A project which aroused some adverse comment was that proposed in 1941 to send a well known baseball player, Moe E. Berg, to make a survey of sports in the other American republics and to learn preferences in taste in order to guide future activities of CIAA in the field.<sup>34</sup> Activities in the field of sports were abruptly curtailed, however, with the coming of the war.

The Cultural Relations Division also was concerned in the earlier period with the reception and entertainment of many visitors from Latin America upon their arrival in New York. As a result, the "Hospitality Department" was established in January 1941.<sup>35</sup>

After the establishment of the Science and Education Division in the Department of Information, its program continued on the basis indicated in earlier paragraphs. An examination of project authorizations through 1942 and 1943 indicates that the Division continued in general the program which had been started in the earlier years. In the publication field, activities involved such things as the translation into Spanish and Portuguese of books and articles published in the United States which would be of value in furthering the CIAA program, and distribution of these works in the other American republics. A number of projects were concerned with the fine arts, including interchange of teachers and others in the field of arts and crafts, the supplying of materials to organizations concerned with musical activities, and grants to individuals for further training. The Science and Education Division continued to be particularly interested in programs concerned with the interchange of individ-

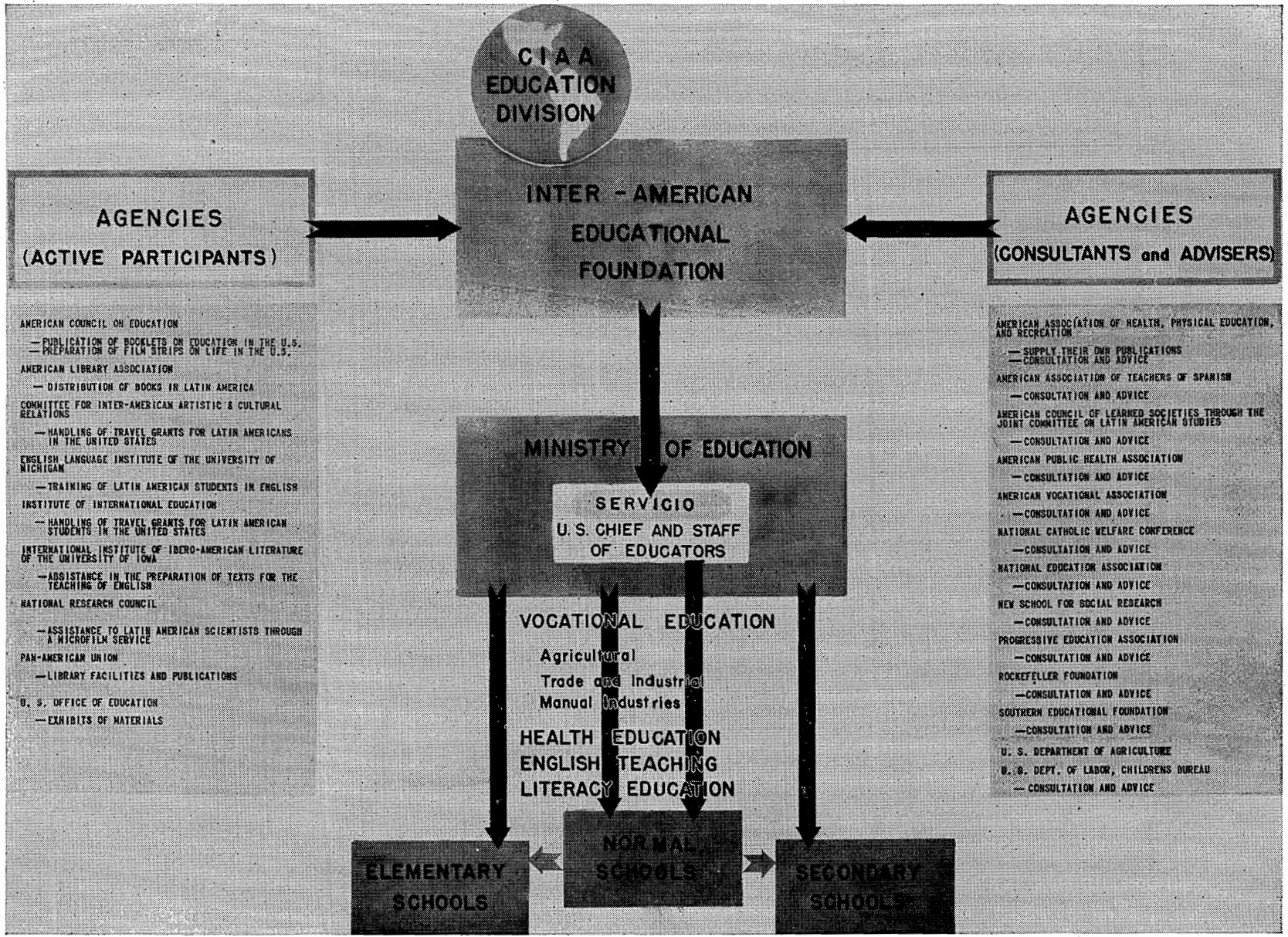
<sup>34</sup> Mr. Berg was a graduate of Princeton University, the Sorbonne, and Columbia Law School, had played college and major league baseball and had coached at the university level. He was also an accomplished linguist and philologist and spoke Spanish fluently.

<sup>35</sup> This was under the direction at first of Mrs. William A. Barber, and later under Mrs. Loring Christie. This small unit handled the reception and entertainment of prominent Latin Americans for some time; its further development will be discussed in Chapter 9.

uals. Under it students, research workers, outstanding intellectuals, lecturers, etc., traveled between the United States and the other American republics to the mutual benefit of both. Projects in which CIAA participated at the student level, for example, were the "New York City Scholarships" granted to 20 students, one from each of the other American republics for a year's study in New York City. The agency also extended maintenance grants to students from the other Americas who were studying on scholarships in the United States; over 150 such students received financial aid for living expenses during 1942 and 1943. It also backed the "Roosevelt Scholarships" which were provided for under the Buenos Aires Convention of 1936, and which involved the sending of one student from each of the other American republics to study for a year in the United States, while 10 United States students were sent to study in the universities of Latin America for the same period. Many other projects were carried out in the field of interchange of individuals.

The Division was interested in various educational activities, particularly in connection with vocational training. This had as an immediate purpose the training of individuals in activities which would aid in the war effort of the hemisphere. This program centered particularly in Brazil, with some work also done in Mexico and Colombia. The agency continued its support of cultural institutes and American libraries as previously noted and in many cases supplied qualified teachers of English to carry on instruction in connection with the institutes.

Continuation of the program in the field of art and music has already been mentioned; the program in the associated field of science involved projects such as the training of 200 meteorologists of the other American republics in a school set up for the purpose in Medellin, Colombia; the microfilming of scientific articles appearing in United States journals, to be supplied on request to libraries and individuals in the other American republics; and the preparation of detailed maps of South and Central America to be made available to United States agencies and officials of the other American republics. Some general activities of the Division which might be mentioned to indicate its scope of interest were the promotion of an essay contest for high school students in 21 American republics, the publication of a series of pamphlets on United States



education to be distributed in all the other Americas; the preparation of a Spanish edition of the *Educational Yearbook* published by the Teachers College of Columbia University; and the distribution of Viewmaster stereoscopies with educational reels for experimental use as teaching aids.<sup>36</sup>

As noted earlier in the chapter, CIAA turned over to the State Department in 1943 projects which were considered long range, and turned its main attention to the development of an educational program, on a comprehensive basis, in cooperation with the governments of the other American republics.<sup>37</sup> Methods adopted for this comprehensive program were basically similar to those already being utilized by The Institute of Inter-American Affairs; that is, it was planned to enter into bilateral agreements with all of the other American republics for the purpose of raising educational standards in those countries. Under these agreements specific programs would be developed under the various Ministries of Education, with joint contributions by the United States and the local government of funds, materials, and technicians. This comprehensive program, as envisaged in 1943, would require:

1. The bringing of ministers of education, teachers and educational administrators from the other American republics to the United States for conferences and to visit the principal educational centers of the United States.

2. The establishment of a staff made up of the citizens of the United States and of the other American republics to adapt existing educational material to the needs of the individual countries, to develop new materials and to translate them into the languages of the countries to use these materials.

3. The sending of technicians to the other Americas to assist in the development of education there.

4. The supplying of services and educational materials to the school systems of the other American republics to help them develop their programs.

5. The improvement and expansion of teacher-education institutions and programs in the other Americas, and establishment of additional services of this type.<sup>38</sup>

In order to administer the program, a subsidiary corporation was created by CIAA on September 25, 1943. This was the Inter-American Educational Foundation, Inc., established under the laws of the State of Delaware as a non-profit membership corporation.<sup>39</sup> Control and direction of the program of the Foundation was exercised by the Coordinator. All policy matters

<sup>36</sup> See also *Hearings, H.R., First Supplemental National Defense Appropriation Bill, 1943*, Pt. 1, pp. 585-587, for description of projects of the Science and Education Division.

<sup>37</sup> *Hearings, H.R., 1944*, Pt. 1, pp. 271-3.

<sup>38</sup> *Hearings, H.R., 1944*, Pt. 1, p. 272.

<sup>39</sup> See chapter 19 for further information.

involving the program were cleared with the Department of State, in accordance with the customary practice of CIAA. Many of the activities of the Foundation were to be carried out through existing private and international agencies, among them the National Education Association, the Pan American Union, and various universities. The Inter-American Educational Foundation, Inc., when established took over in general all operations of the Coordinator in the field indicated by its title, just as the Institute of Inter-American Affairs had taken over operations in the fields of health and sanitation and food supply.

It should also be noted that the operations of the Inter-American Educational Foundation, Inc., do not end with the termination of the Office of Inter-American Affairs, for it was transferred on May 20, 1946, to the jurisdiction of the Department of State, with the same organization and without any change in its program as set up under CIAA.

The particular activities emphasized in the program of the Inter-American Educational Foundation were connected with the war effort and long-range, although the latter was logically the one in which greatest contribution could be made. Particular objectives were the development of cooperative educational programs with the other American republics which emphasized vocational and health education, the training of teachers, the improvement of rural life and agriculture, the development of community schools, and the teaching of the English language.<sup>40</sup> Through vocational and health education programs, an effort was made to better conditions in regard to these two fundamental education problems of the Americas. The teacher-training programs were designed to provide better prepared and qualified teachers in the elementary, secondary, and normal school levels. Rural education programs were aimed at the improvement of agricultural and rural life.

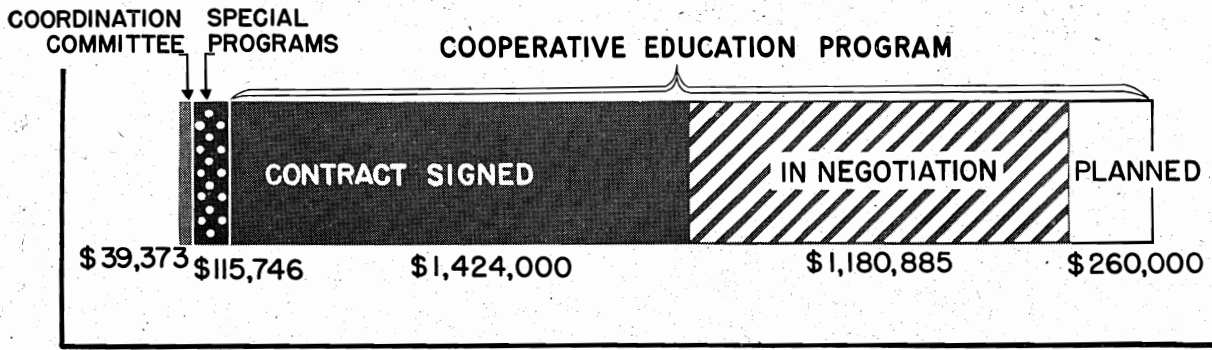
In 1943 and 1944, plans for the program were developed, teaching materials were sent to all of the other American republics, and the nego-

<sup>40</sup> The program of the Foundation has been described in a number of articles: Kenneth Holland, "Inter-American Educational Relations," in the *Annals of the American Academy of Social and Political Science*, September 1944; "Cooperative Educational Program of the Office of Inter-American Affairs" (printed for CIAA in 1945); "The Program of the Inter-American Educational Foundation," in the *Educational Record*, January 1946; Lloyd H. Hughes, "Rural Education Program in Bolivia," in *Bulletin of the Pan American Union*, May 1946. The program is also described in the "Education Division Newsletter" of February 1946.



# LATIN AMERICAN TOTAL

STATUS - MARCH 31, 1945  
\$ 3,020,004



CIAA GRAPHIC REPORTS JULY 194

tiation of cooperative educational agreements was begun; actual operations in general were delayed because of various difficulties in securing appropriate personnel and in completing arrangements in the other American republics. In 1944 agreements were signed with Peru, Haiti, Guatemala, Honduras, Nicaragua, Bolivia, and Costa Rica, and in 1945 with Ecuador, Chile, Paraguay, El Salvador, the Dominican Republic, Panama, and Brazil. Two separate agreements were signed with Brazil; the total number completed, therefore, numbered 15 agreements, with 14 of the other American republics. In 1945, 21 specialists were sent for participation in the cooperative programs, with fields covered being vocational education, health education, rural education, teacher training, and English language teaching. Another 30 technicians were sent in 1946. Materials were also sent in some quantity, with it estimated that in 1944 and 1945 nearly 500,000 books, maps, pamphlets, charts, and other teaching aids were made available to field parties and schools in the other American republics. In early 1946 an additional 50,000 items of the same type were distributed through representatives of the Foundation.<sup>41</sup> In addition to sending persons to the other American republics, the Foundation brought selected administrators and teachers from Latin America to the United States to lecture, to study, and to participate in national, state, and local education programs; 6 were brought in 1944, 27 in

1945, and with many more such tours in prospect in 1946.<sup>42</sup> The Foundation also aided in the preparation and distribution of locally created teaching materials in those countries where programs were in operation.

Every country in which programs were initiated had problems peculiar to it, and activities carried out by the Foundation were intended to fit into the needs of each individual country. Certain factors, however, were common in all of the programs. All, for example, provided for the sending of educational specialists from the United States to work with the local Minister of Education and his staff in development of the teaching program. The development of teaching materials also was a phase of importance in all countries. In the case of all countries, the program included the bringing of distinguished educators, supervisors, and teachers to the United States in order that they might become familiar with educational methods there and make contributions themselves to the programs of this country.

Operations of the Foundation in general can be classified into four major categories. The principal emphasis was placed on vocational education in certain countries such as the Dominican Republic, Panama, Paraguay, Peru, and in one of the Brazilian programs. In the five Central American countries and in Ecuador and Haiti, the principal emphasis was placed on general teacher education. In Chile, the program dealt

<sup>41</sup>According to an Education Division Newsletter of February 1946.

<sup>42</sup>"Education Division Newsletter," February 1946. By this date 58 persons had been brought to the United States by the Foundation.

**OIAA EDUCATION**

**EDUCATION PROGRAMS**



almost exclusively with secondary education, and in Bolivia and one Brazilian program, the main activities were in the field of rural education.

The program of the Educational Foundation, probably more than in the case of any other division, was justified before Congress on a long-range basis.<sup>43</sup> All agreements signed were for 3-

<sup>43</sup> For example, see *Hearings, H.R., 1945, Pt. 1, p. 939.*

year periods, but the possibility of renegotiation of these agreements was not ruled out. As in the case of the health and sanitation and food supply programs, it was expected that the governments of the other American republics would be able to take over, increase, and expand the activities started under the cooperative agreements entered into by the Foundation.

## INTER-AMERICAN ACTIVITIES IN THE UNITED STATES

The order which set up the Office of the Coordinator authorized him to develop a program for furtherance of hemisphere unity, and since this would apply in the United States, as soon as actual organizational work was started, attention was given to this part of the program. From the start it was felt that any program looking toward hemisphere solidarity would be a two-way one: that is, it was as necessary to inform the people of the United States about opinions and conditions in the other American republics, as it was to inform the rest of the hemisphere in regard to the ideas and plans of the United States toward the maintenance of democratic institutions. No specific unit was set up immediately, however. A part of the function described was carried out by what was to be called for a time the Information Division (later the term "Public Education" was included in its title).<sup>1</sup> At the same time, in the Cultural Relations Division quite a number of projects were developed which involved activities in the United States, and in the Radio and Motion Picture Divisions attention was likewise paid to this part of the CIAA program. Even in the Commercial and Financial Division, some educational work to broaden the understanding of people of the United States as to Latin American problems was carried out.

The over-all program for this field of activities was indicated by the Coordinator in a press release of April 1, 1941.<sup>2</sup> After referring to a public opinion poll the Office had recently taken, which showed that well informed persons in the United States felt that an effort should be made to bring about better understanding in the hemisphere, he outlined the following field of action:

First: As a part of the nation's defense effort and as a permanent extension of the Good Neighbor program to stimu-

late a general movement for popular education about Central and South America in every community of this country. Only so will we have a well informed people;

Second: We should have concerted community action to provide for the study and teaching of Spanish and Portuguese in schools and in classes established for adults;

Third: We need concerted community action to increase purchases of products imported from the other American Republics; and

Fourth: It would be most helpful to have concerted action among women's and other organizations to provide suitable hospitality for visitors and to establish direct and friendly contacts with similar groups and organizations in the other American Republics.

There are many ways of carrying forward this program, but it seems to me that the best and most democratic way is for the men and women of the United States, acting through their many organizations, to play a responsible part in interpreting and furthering that part of a national program that most immediately affects them. You who are taking part in this conference today represent many thousands of women, your organizations extend into almost every part of the United States, your membership includes every type of woman and every variety of women's activities.

In line with the above statement, Mr. Rockefeller noted he had already added to the staff by addition of an Advisor for Civic Projects, appointed as a member of the Public Education and Information Division.<sup>3</sup>

Throughout the remainder of 1941, information in regard to Latin America dispensed in the United States continued to be handled by the Cultural Relations Division and the Public Education and Information Division, with other units of the agency aiding in their fields. After the attack on Pearl Harbor, CIAA moved toward some concentration of its activities in the domestic information field. Mr. Walter Laves, of the University of Chicago and formerly with the League of Nations Association, was appointed on December 8, 1941, to develop an inter-American adult education program for the United

<sup>1</sup> See chapter 4.

<sup>2</sup> Press release No. 33.

695229-47-8

<sup>3</sup> This was Miss Mary M. Winslow, who had served for 10 years with Woman's Bureau of the Department of Labor (Press release No. 23).

States. This unit, under the title of "Organizations", was shown on at least one chart in the spring of 1942 as a part of the Information Department, which had assumed the functions of the former Communications and Cultural Relations Divisions. Development of an extensive program was delayed for several months, however, due in all probability to emphasis on activities more directly connected with the war effort, and to several serious organizational problems which occurred in the spring of 1942. At this period, the merger of certain activities with those of BEW was being dissolved, and the Coordinator was likewise involved in negotiations which were going on in the government over the establishment of an over-all United States information agency. In the latter connection, if CIAA had pushed a program in the domestic information field too heavily, it might have weakened its case for jurisdiction over war information activities in the other American republics.<sup>4</sup>

The division under Mr. Laves (which soon came to be called the "Division of Inter-American Activities in the United States") was formally established on March 23, 1942, by staff memorandum. Incorporated in it were the Civics Organization Section and the Hospitality Section, which were already in operation. The Civics Organization Section, as noted, had been originally set up in the Public Education and Information Division and had worked chiefly in connection with national women's organizations; plans were now made to extend its work to various other organized groups in the United States. The Hospitality Section had been a part of the Cultural Relations Division, and had been organized to meet and entertain officials and other persons from Latin America upon their arrival in this country.<sup>5</sup> The Hospitality Section, however, was shortly afterward (in July) transferred for a time to the Office of the Assistant Coordinator.

The Division also was able to establish a small Lectures and Materials Section. This unit did not itself produce these materials but depended upon the Press, Radio, and Motion Picture Divisions for pamphlets, posters, and other materials on inter-American affairs which would be useful

in the program of educating the people of this country. This section also acquired materials from outside the agency, and compiled a list of speakers qualified to discuss inter-American subjects. As originally created, it was particularly concerned with aiding private groups in regard to the holding of forums, institutes, conferences, or other meetings dealing with matters in the Latin American field.

In submitting budget estimates for the fiscal year 1943, the major functions of the Division of Inter-American Activities were said to be to make available reliable information concerning the contributions which inter-American cooperation can make to the war effort, as well as to readjustment and reconstruction problems and the establishment of lasting world peace, and to stimulate to the fullest extent the active participation by all organized groups of the United States in the inter-American program. These functions were carried out in collaboration with other divisions of CIAA, other government agencies and private organizations. The particular projects of the division at this time were three in number. One was a continuation of plans involving the operation of, or assistance to, established inter-American centers in a few locations in the United States; these served as valuable educational and hospitality sources and were important as centers for personal contacts between local citizens and visitors from the other American republics. A second project was the establishment, in cooperation with the Department of State, of a special center in Washington where officials and leaders from the other American republics could be properly received, and where they might stay while in the city.<sup>6</sup> The third special project of the division at this time was the preparation and circulation of a series of traveling exhibits on inter-American affairs to be made available to all organizations and agencies presenting this type of program. In preliminary hearings, before this budget was finally presented to Congress, the Budget Bureau had eliminated proposals which CIAA had advanced for the granting of financial aid of private organizations for funds for a Spanish-speaking minority project, and a portion of the amounts requested for the projects just noted.<sup>7</sup>

<sup>4</sup> At one time the Coordinator mentioned that budgetary limitations had also hindered its developments. (Minutes of Meeting between CIAA and Budget Bureau representatives, August 8, 1943).

<sup>5</sup> The need for this program had been noted in a letter of Mr. Charles Thomsen of the State Department to Dr. Robert Caldwell on December 26, 1940.

<sup>6</sup> Budget Est., 1943. This plan was in addition to the activities of the agency being carried in New York.

<sup>7</sup> *Hearings, H.R., First Supplemental National Defense Appropriation Bill for 1943, Pt. 1, p. 588.* The Bureau felt, however, that the Office of Civilian Defense and the Office of Facts and Figures, with some aid from CIAA, could provide adequate publicity in the United States for the inter-American program.

In the next half-year the Division of Inter-American Activities in the United States made preliminary arrangements with several hundred organizations, in most states of the country, with respect to inter-American activities and programs. The staff also spent considerable time in supervising a score of special projects sponsored by the division. These projects operated principally through institutes, forums, conferences, and study groups conducted by inter-American centers and other organizations.<sup>8</sup> One conference was held in Washington July 13-14, 1942 at which a program of inter-American activities was discussed by representatives of the Division and of the several inter-American centers. In December 1942 the Coordinator released Mr. Laves and most of the staff of the division to the Office of Civilian Defense, in order to further a plan which had been developed for concentrating war information efforts at the community level.<sup>9</sup>

On February 22, 1943, a new Department of Information Services was created within CIAA with the Division of Inter-American Activities in the United States as one of four set up in this Department.<sup>10</sup> At this time the Division planned to carry out its operations through four main sections. One of these was the Inter-American Centers Section, which was responsible for maintaining direct contact with private groups throughout the country which had a specialized interest in inter-American affairs and which maintained continuous programs in the field. The second section was a Major Key Groups Section, which was responsible for improving attitudes on Latin American subjects by working directly with selected key groups in the United States. A third section was the Spanish and Portuguese Speaking Minorities Section, whose task was to improve as much as possible the situation of these minority groups in this United States.<sup>11</sup> A Speakers Service Bureau Section was responsible for securing and distributing materials utilized to carry out the Division's program.

By the winter of 1943 the Division of Inter-American Activities had been raised to the status

of a Department, although its head was classified as Director instead of Assistant Coordinator.<sup>12</sup> Some slight opposition to this had been raised by the Bureau of the Budget on the basis of the small number of personnel involved; the Coordinator, however, justified the additional importance given the unit handling inter-American activities in the United States on the basis of the great significance of its work in the information program of CIAA.<sup>13</sup>

By October 1944 the name of the department handling affairs of CIAA in the United States had been modified to "Department of Special Services." Within the Department there were an Education and Teachers Aid Division, a Services and Field Coordination Division (which maintained a Speakers' Section and a Materials Section) and a Labor Relations Division. The Department also had units which maintained contact with inter-American centers in the United States and the Reception Centers set up to care for visitors from the other American republics. It also maintained sections working with the problems of Spanish-speaking minorities in the United States, and another working with the "Key Groups", or larger organizations, in this country.

The Department concerned with inter-American activities in the United States remained substantially unchanged throughout the early part of 1945, but as the year progressed reductions in forces were started. The *U. S. Government Manual* of September showed the Special Services Unit still in operation, but its work was to be terminated by the end of the year.<sup>14</sup>

Inter-American activities in the United States, as handled by the divisions or departments indicated in foregoing paragraphs, fall into several fairly well recognized categories.<sup>15</sup> One of those which was first established and which continued through the life of CIAA in one form or another was the program designed to aid prominent persons coming to the United States from the other American republics in regard to transportation accommodation, and similar matters. By 1943 the Unit handling this work was called the Inter-

<sup>8</sup> Harold F. Gosnell, "Information Activities of the Coordinator of Inter-American Affairs", (draft) July 22, 1944.

<sup>9</sup> Nelson A. Rockefeller to Bernard Gladieux, December 10, 1942.

<sup>10</sup> The Department was headed by Mr. Victor G. Borella, a former director of industrial relations and a member of the board of directors of Rockefeller Center. Prior to that he had been assistant to the vice-president of General Motors in charge of public relations. He was to be particularly interested in the inter-American activities program.

<sup>11</sup> A Departmental Committee had been established to coordinate activities of agencies which dealt with this problem.

<sup>12</sup> United States Government Manual, winter of 1943-44.

<sup>13</sup> Minutes of meeting between representatives of CIAA and the Budget Bureau, October 8, 1943. Some discussion occurred in connection with the work of the Science and Education Division in a somewhat narrower field.

<sup>14</sup> The Labor Relations Division remained in operation until May, 1946.

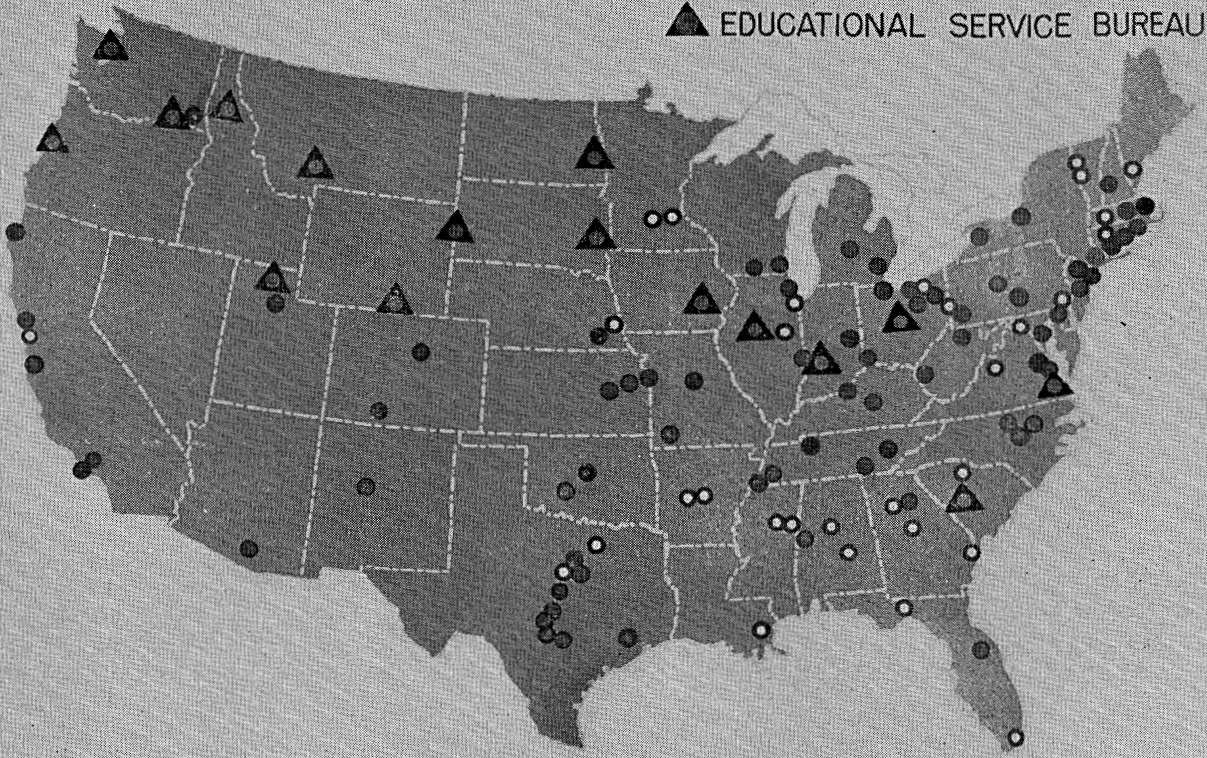
<sup>15</sup> Information on the division is contained in reports on various hearings held before Congressional Committees on Appropriations, as for example, *Hearings, H.R., 1945, Pt. 1, pp. 1035-45.*

# EDUCATION

COORDINATOR OF INTER-AMERICAN AFFAIRS  
MAY 19, 1944 GRAPHIC REPORTS  
SOURCE: CIAA SPECIAL SERVICES  
H. E. DAVIS  
USA, 1943-44 LECTURES & INSTITUTES

## INTER-AMERICAN LECTURES & INSTITUTES 1943-44

- PROGRAMS HELD AT COLLEGES  
& UNIVERSITIES (OPEN TO  
GENERAL PUBLIC)
- PROPOSED PROGRAM
  - COMPLETED PROGRAM
  - ▲ EDUCATIONAL SERVICE BUREAU



American Travelers' Index and Reception Section. It worked closely with the Department of State and the various inter-American centers, and had branch offices in both Miami and New York City. At the former office (which was supported jointly by CIAA and the Department of State) close cooperation was maintained with Army and Navy representatives and other Government officials in the city. All official visitors arriving from Latin America, as well as persons brought to this country by the Cultural Relations Division of the Department of State and by CIAA, were received upon arrival. Since Miami in this period was the largest port of entry in the United States, many difficulties incident to congested travel conditions and war time restrictions created problems for such travelers. Representatives of the Miami office, therefore, assisted them in connection with travel arrivals, securing railroad and airplane tickets, provision of interpreters, and all other necessities which might arise. It also operated to keep the Washington headquarters of CIAA informed daily concerning arrivals from Latin America of persons of importance in order to secure suitable news coverage for such events.<sup>16</sup> The New York office was equipped to plan itineraries in New York City for visiting Latin Americans, to assist them in regard to general orientation and to help them with any particular problems which might arise. This office was also prepared to arrange introductions in the city for visitors in order to put them in touch with leading figures in various fields of interest. It also aided in obtaining hotel and train reservations, interpreters and guides, and, when requested, arranged for official entertainment to be given prominent individuals.

A particular function of this Section of CIAA was the preparation of a weekly "Register of Visitors" from the other American republics. This gave data on all individuals of prominence arriving from Latin America, and indicating their itineraries in the United States and the approximate date of their departure therefrom.

A second activity of the Department of Inter-American Activities in the United States was a Division of Education and Teacher's Aid.<sup>17</sup> It was concerned with three major operations: (1) training and preparation of teachers; (2) development and distribution of educational material;

and (3) encouragement and assistance for the teaching of Spanish and Portuguese.<sup>18</sup> In regard to teacher training, one activity which was of major significance were the so-called "Inter-American Workshops". These were specially designed summer programs to train elementary and secondary teachers in the inter-American field. The main objective of a workshop was to provide an opportunity for these teachers to spend a period of time (usually 2 to 6 weeks) working intensively under competent direction on the development of teaching plans and materials to be used in their work during the following school year. The teachers carried on other courses and gave all of their time to this field of preparation. Some workshops specialized in the needs of language teachers, others in the problems of elementary school teachers, others in the needs of secondary teachers in various fields and still others, in the problems of education in Spanish-speaking communities of the United States. Normally 20 to 100 teachers could be cared for in each workshop and during 1943, 25 such workshops were carried on in cooperation with colleges and universities. In 1944 the number was somewhat larger.<sup>19</sup>

Several types of workshops were given. In the metropolitan type, for example at St. Louis, Mo., the workshop was conducted primarily for teachers in the vicinity of St. Louis. Another type specialized in training language teachers; one held at the Teachers College, Columbia University, New York, emphasized the language, history, problems, and culture of Brazil. In Texas, workshops were established in a State-wide program which emphasized the training of teachers, particularly for work in Spanish-speaking communities — this involved improvement of instruction in English, vocational and health education, and the use of the school as a means of improving community life. At Claremont College, Claremont, Calif., a workshop was conducted particularly to train community leaders.

In addition to the workshops, in a number of colleges and universities inter-American lecture series or institutes were conducted. These institutes were aimed at educating adults of the several communities, as well as teachers. Also, through the United States Office of Education, CIAA provided inter-American educational consultants

<sup>16</sup> Memorandum from Don Francisco to Staff, September 8, 1943.

<sup>17</sup> The program of this Division was turned over to the Office of Education during the fiscal year 1946 (*Hearings, H.R., 1946, Pt. 1, p. 603*).

<sup>18</sup> As described by Harold E. Davis to Camila M. Behn, September 23, 1943.

<sup>19</sup> Memorandum on Inter-American Workshops, July 10, 1944.



who visited teacher training colleges, workshops, teacher institutes, and other teacher groups. Through the Office of Education, CIAA also maintained 31 demonstration school programs in various schools and school systems throughout the country, in which inter-American education was stressed at all levels.<sup>20</sup>

In the field of teacher aids, CIAA was interested in the distribution and development of textbooks, pamphlets and units of study connected with the inter-American field. A distribution center was established in the United States Office of Education from which teachers might receive without cost copies of a large number of teaching aids, loan packets of material which might be purchased, and were advised as to suitable material for education to be used at various age levels. Aid also was given to the Pan American Union to improve and extend its publications devoted to school use. Working again through the Office of Education, CIAA developed nearly 200 inter-American educational and art exhibits which were kept in constant circulation in the schools throughout the United States.

In connection with teacher aids and teacher training, (in fact, all information materials), it should be noted that the Division of Inter-American Activities in the United States was not itself particularly concerned with the production of materials but rather with their distribution. It obtained from other divisions of the office pamphlets, posters, and similar items; a particularly useful series was that produced by CIAA on each of the 20 other American republics, and distribution of this item mounted into hundreds of thousands of copies. It likewise utilized materials obtained from the Motion Picture Division and programs sponsored by the Radio and other units.<sup>21</sup>

Little need be said about aids given in the teaching of Spanish and Portuguese. The Division cooperated in every way possible, such as by preparation of a handbook for teachers of Spanish and Portuguese, developed with the cooperation of the American Association of Teachers of Spanish. In some cases Latin American visitors were provided for teacher training institutions and schools as visiting teachers or lecturers. Aid was given in the preparation of teaching materials for language study, such as that developed for the

teaching of Spanish in lower grades prepared by the State Department of Education of Texas.

One of the most important of the interests of the Department of Inter-American Affairs in the United States was the sponsorship of the various Inter-American Centers set up in the United States. These Centers were formed in a number of cities, with the agency recommending a non profit local corporation as the legal structure. Details of election of officers term of office, and voting controls were drafted locally, although frequently with advice and suggestions supplied by CIAA. Several local conditions varied greatly, there was no one single pattern prescribed for all cities and areas. It was always desirable, however, that each Center should obtain in both advisory and executive direction the participation of outstanding leaders of the community in industry, business, finance, the professions, local government, labor, agriculture, education, the arts, and other social and civic enterprises. In general, organizational structure included a board of directors or governors, with wide representation from the fields just mentioned, with an executive committee usually provided to form a compact and readily available group to act for the board between meetings. As an active head of the Center an executive director was normally appointed whose functions were to carry out the broad programs and specific suggestions planned and voted by various committees; to keep the necessary records; to direct the office staff; and to maintain working contact with CIAA. Advisory committees from special groups were utilized when necessary to give guidance to the program in their area of the community, and program committees with technical knowledge in such fields as radio, motion pictures, music, art, libraries, language teaching, adult and formal education, etc., were utilized.<sup>22</sup> Each Center was expected to perform five primary functions within the region which was assigned to serve:

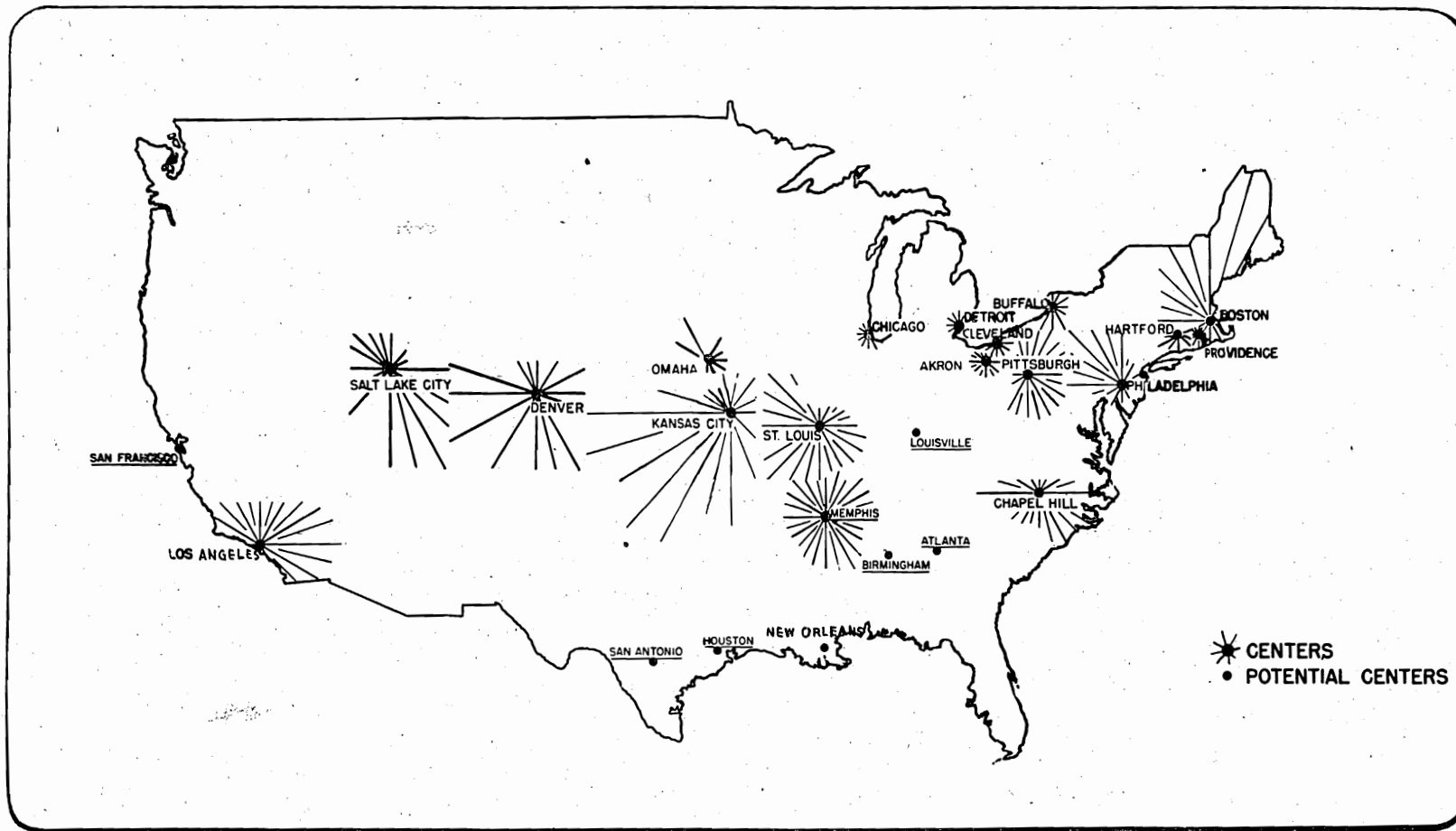
1. To reenforce and expand the inter-American programs of existing organizations by providing, with the assistance of the Office of the Coordinator of Inter-American Affairs:
  - (a) competent counsel and advice on programs, organization, and methods, with particular reference to practical wartime activities,
  - (b) printed materials, motion pictures, and information regarding speakers,
  - (c) opportunities for organizations to join together for the

<sup>20</sup> Harold E. Davis to Camila M. Behn, September 23, 1943.

<sup>21</sup> The Department was always closely associated with the Science and Education Division, having been a part of it for some years.

<sup>22</sup> The above general information was given to groups interested in forming a Center as "Memorandum on the Purpose, Functions, and Organization of Inter-American Centers Sponsored by the Office of the Coordinator of Inter-American Affairs," May 1943.

DEPARTMENT OF SPECIAL SERVICES  
CENTERS and AREAS SERVED  
AS OF SEPTEMBER 1944



accomplishment of results which would be beyond the capacity of any single group,

(d) reports of experience with respect to various types of programs and activities for the benefit of other Centers, and

(e) in general, the services appropriate to a central clearing house or coordinating council.

2. To stimulate other appropriate organizations to undertake similar or related activities contributing to the purpose outlined above.

3. To initiate and conduct practical programs which will facilitate wartime, and subsequently peacetime inter-American teamwork, in the fields of industry, transportation, commerce, education, the arts, and the professions.

4. To render assistance and advice to visiting Latin Americans and aid them in meeting local specialists in their respective fields of interest, in order that they may obtain more than a superficial knowledge of the United States.

5. To develop, in the light of the experience of the various Centers, ways and means of obtaining progressively greater financial support from local sources to assure the permanence of the Center, independently of Government financing.<sup>23</sup>

The centers also submitted reports concerning local or regional inter-American activities, in order that information might be transmitted to the other republics to indicate what the people of the United States were doing to advance knowledge of the other American republics and to promote inter-American cooperation on a long-range basis.

The organizational set up of the centers included paid executive directors and such secretarial and clerical assistance as was necessary. Each center also maintained smaller inexpensive office headquarters. Accompanying charts indicate the number and locations of centers in the United States.

One of the most potent means of reaching the largest number of United States citizens was through existing organizations which had vast memberships, such as the National Federation of Women's Clubs, the American Legion, the United States Junior Chamber of Commerce, the Boy Scouts of America, the 4-H Clubs, and the Inter-American Commercial Arbitration Commission, and various larger fraternal orders. In the Department of Inter-American Activities in the United States, the Major Key Group Section was assigned the responsibility of channeling information material to these organizations so that through them it could reach a large cross section of citizens. In some cases it was particularly successful; for example, the American Legion cooperated actively through such things

<sup>23</sup> *Ibid.*

as supplying to all members a special manual of study in activities of inter-American affairs.

The work in the field of maintenance of a speakers bureau needs little description. The purpose of the section assigned this responsibility was to maintain and make available, through the Inter-American Centers and Key Groups, information on individuals in particular areas who were qualified to speak on inter-American subjects of all kinds.

The final aspect of the work of the Department of Inter-American Activities in the United States was in connection with Spanish and Portuguese-speaking minorities. The Coordinator's Office was concerned in this respect with groups such as those in Texas, New Mexico, Arizona, and California, who had been resident in the area for many years and likewise colonies in large cities such as Chicago. Among these groups it was found that problems arising from discrimination and lack of understanding offered fertile ground for the development of movements which would hinder the war effort and weaken hemisphere solidarity. The Division first became interested in these problems as early as 1942, but it was not able to carry out much of a program until later. In any case, the agency desired to work with this group without particular fanfare. The type of operation which was carried out involved such things as grants to universities and chambers of commerce in the Southwest for the purpose of ameliorating discrimination and improving teaching among the minority groups, the appointment of field representatives in Texas and California who might attempt to improve conditions in regard to special cases and situations and assignment of funds for various community programs such as those carried out among the 35,000 Mexicans in the Chicago area.

The Department of Inter-American Activities in the United States, like various other divisions, regularly issued a bulletin on the program carried out in the United States.<sup>24</sup> Various pamphlets indicating the services which the Division was prepared to offer were also distributed. For example, in December 1943 a leaflet listing the assistance CIAA could grant to private groups was printed, and a year earlier two booklets, one entitled "Some Specific Suggestions for Inter-American Programs" and the other, "The Inter-

<sup>24</sup> The title varied slightly, but during later years it was called "Bulletin of United States Activities". It was sent regularly to all coordination committees so that they might use the information in local publicity.

American Movement", were prepared and distributed.

Associated with the Department of Inter-American Activities by 1944 was a Labor Relations Division. The Office had been interested in labor problems and labor opinion and reaction from its inception. When the first advisory committee on policy was established, the Coordinator included among its members representatives of both the American Federal of Labor and the Congress for Industrial Organization. In 1941 a contract was signed with a labor relations specialist for a study of labor conditions and labor legislation in the other American republics because it was recognized that full, accurate information about labor groups was needed.<sup>25</sup>

The agency also became interested in connection with labor problems involved in contracts for the purchase of strategic materials executed under directives of BEW. These labor clauses were the subject of extended discussion between the Department of State, BEW and CIAA, and a joint agreement was reached in October 28, 1942 between the three agencies, defining the responsibilities of each with respect to labor policies in contracts.<sup>26</sup> The greater number of contracts signed in connection with strategic and critical materials in Latin America were procurement contracts, pure and simple, in which labor problems did not arise. In a few, however, it was possible to set certain standards which would maintain minimum labor standards. For example, contracts in connection with the Inter-American Highway Project in Central America were of this type; although this program was under the supervision of Public Roads Administration, it was within the field of interest of CIAA. Originally, the latter office urged that labor clauses be directly incorporated into the Inter-American Highway Bill but this was not possible.<sup>27</sup> Later, however, it was possible to put into individual contracts a stipulation that all labor laws and regulations of the contracting government must be strictly adhered to and enforced.

To return to the standard labor clauses which it was desired to include in purchases contracts in the other American republics, two of these were of interest to the Institute of Inter-American Affairs. These required the seller to "furnish its

laborers and employees with adequate and suitable shelter, water, sanitation, medical treatment and protection against controllable diseases upon a fair and equitable basis; and if necessary, assure such laborers and employees the existence of an adequate food supply at a reasonable cost."<sup>28</sup> The Institute in certain cases obligated itself to supervise and make cash contributions for the execution of these two clauses on labor organization and food supply; this occurred in approximately 17 cases.<sup>29</sup> Early in 1944 the Institute decided that it could not undertake to execute these provisions for administrative reasons and informed FEA on May 16, 1944 that it would be unable to undertake execution of these clauses in any contracts beyond those currently in force, a number of which terminated on June 30, 1944.<sup>30</sup>

The labor relations unit, for a time in the Emergency Rehabilitation Division of Basic Economy, was eventually transferred to the Department of Inter-American Activities in the United States. In 1944 it had the responsibility of advising the Coordinator in regard to inter-American labor relations policy of cooperating in that field with Government and non-Government agencies, of maintaining current information of social and labor movements for the use of operating divisions, for acting as liaison between the agency and various labor groups and for assisting in economic and labor conferences and other programs of this type. Three sections were set up under the Division. The Labor Service Section maintained a list of labor organizations by country and locality, arranged inter-American programs in cooperation with local and national labor organizations in the hemisphere, and coordinated data originating in the government and other agencies regarding the importation of Mexican nationals into the United States. A Labor Information Section was particularly concerned with maintenance of files on labor and labor materials, supplying information both within CIAA and for other agencies. A Labor Pro-

<sup>25</sup> Hearings, H.R., *First Supplemental National Defense Appropriation Bill for 1943*. The specialist in this case was Mr. David J. Saposs.

<sup>26</sup> John C. McClintock to Janet Barnes, July 25, 1944.

<sup>27</sup> John Herling to Janet Barnes, August 12, 1944.

<sup>28</sup> Memorandum of Understanding Between the Department of State, CIAA, Defense Supplies Corporation, Export-Import Bank of Washington, the Commodity Credit Corporation, and the Board of Economic Warfare, (September 1942). In addition to the two clauses quoted above, the seller agreed to comply with all local laws affecting labor, to pay prevailing rates and to maintain reasonable and adequate safeguards against accidents.

<sup>29</sup> John Herling to Janet Barnes, August 12, 1944.

<sup>30</sup> John C. McClintock to Janet Barnes, July 25, 1944.

jects Section handled labor and cooperative projects, arranged programs for morale and efficiency among Mexican laborers in the United States, and worked with cooperative organizations. It

also developed exhibits and other conference material for use by labor, business and civic groups. The Division also maintained a bulletin on "Inter-American Labor Notes."

## HEALTH AND SANITATION

The first recognition by CIAA that activities to ameliorate health problems would be a part of its operations was made as early as the beginning of 1941, when a Public Health and Welfare unit was created.<sup>1</sup> This unit was small, however, and no great number of projects seem to have been handled by it; the majority of these concerned publication of materials in the field, and the exchange of medical and public health personnel between the other American republics and the United States. In the fall of 1941, however, it became recognized that there were large possibilities, as well as needs, in the development of a major program which would enter the field of health and sanitation. In the Rio Conference of January 15-28, 1942, members of CIAA particularly pushed for recognition of needs in this field and it is said that they had some part in working out the wording of the resolution on health needs which was finally adopted by the Conference.<sup>2</sup>

The importance of health and sanitation projects was obviously great. Even by this time it was evident that United States military forces would probably be located in some parts of Latin America, and experience gained in earlier years in regard to tropical diseases showed that lack of sanitary and healthful conditions were as dangerous to troops as actual warfare. In addition, in some of the programs which were being developed for the procurement of critical materials, the presence of bad sanitary conditions which would impair the health of workers, would slow up production. Finally, the general program of the Coordinator for the welfare of the hemisphere made the field of improvement of health and sanitation in the other American republics one of prime importance.

<sup>1</sup> It is shown on charts by the summer of 1941, in some cases attached to the Cultural Relations Division. The unit was headed by John M. Clark, former head of the Public Relations unit of the Office.

<sup>2</sup> Resolution 30.

The problem was presented to President Roosevelt in early 1942 in graphic form. The unit of CIAA which prepared charts and graphs made up a large volume of maps and other illustrations indicating that defense of the hemisphere was controlled by communications; that these vital communications, both those in use and those which would be developed in the future, must be guarded; and that the health of the units doing the guarding must be maintained for efficiency's sake. It also showed in graphic form areas where strategic materials were produced, with overlay maps showing the relationship to these of dangers in regard to such things as yellow fever, malaria, typhus, and other endemic diseases. A program was presented which listed objectives to be achieved as follows: (1) Military: To improve health conditions in strategic areas, particularly with relation to the requirements of our armed forces and those of our other American Allies; (2) Political: To carry out the obligations of this Government with relation to the health and sanitation program assumed by it under Resolution 30 adopted by the Rio Conference of January 15-28, 1942; (3) Productive: To make possible increased production of critical materials in areas where bad health conditions exist; (4) Morale: To demonstrate by deeds as well as words the tangible benefits of democracy in action and to win active support of the civilian population.<sup>3</sup>

President Roosevelt endorsed the proposed health and sanitation program with formal approval being granted on March 24, 1942. The Coordinator was instructed to formulate and execute a program to aid and improve the health, safety, and general welfare of the peoples of Mexico, Central and South America and the outlying islands including the West Indies, with

<sup>3</sup> The same basic objective were regularly repeated in budget estimate justifications.

duties and responsibility in this connection particularly being to carry out:

... measures for the control and prevention of disease, sanitation, sewage disposal, housing, improvement of food and water supplies, building of roads, highways, transportation facilities and public works, nutrition, general medical treatment and the education and training deemed necessary to achieve these objectives . . .

In discharging these duties, he was directed to work in cooperation with the State, War, and Navy Departments, and likewise to consult with and cooperate with the governments of the other American republics.<sup>4</sup>

Meanwhile, plans had been going ahead for the health and sanitation program. For a time consideration was given to the possibility of a new executive order enlarging the Coordinator's duties to cover several proposed activities.<sup>5</sup> It was decided against this, however, because enlargement of functions in the field of propaganda and economic development would raise a possibility of conflict between CIAA and other government agencies, and because authority granted the Coordinator was already fairly extensive. The only program in which there might be some doubt was the new health and sanitation plan, and it was felt that instead of getting a new executive order, adequate authority could be granted by a letter from President Roosevelt which would specifically authorize CIAA to do any and all things necessary in connection with public health and welfare in the other American republics.<sup>6</sup>

Certain advantages involved made CIAA turn to the use of a subsidiary corporation to carry out the public health program. It would be able to operate better in the other American republics than an agency of the United States Government, and funds could be granted to it on a satisfactory basis.<sup>7</sup> Some difficulties were at first incurred in that the plan to form a corporation did not at first meet with the approval of the Bureau of the Budget, largely because of the latter's concern that some weakening of responsibility on the part of the Coordinator for the administration of the program would result.<sup>8</sup> Later, the Bureau became satisfied that control would not be weakened in any way, and that CIAA would re-

main fully responsible for expenditures and administration, and the agency proceeded to form the first of its subsidiary corporations, The Institute of Inter-American Affairs.

It was necessary also to secure money for the extensive program in view, for the funds allocated to the agency at the time were insufficient for operations of any extent. By the middle of February, the Director of the Bureau of the Budget had approved a request for allocation of \$25,000,000 to the health and sanitation program; \$5,000,000 of this was to be for use during the current year, while the remainder was to be in the form of contract authorization.<sup>9</sup> These funds were to be allocated from the Emergency Fund of the President and on February 20, 1942, the President approved the transfer to the Coordinator of \$25,000,000, in the manner agreed upon with the Bureau of the Budget.<sup>10</sup>

Plans for health and sanitation operations had been made by CIAA some time before the Institute of Inter-American Affairs was created. As early as the first of February it had been decided that health and sanitation work in Ecuador should be given priority, in line with promises made by the United States at Rio de Janeiro, and talks had been held with Ecuadoran officials in connection with the possible improvement of health and sanitation conditions in Guayaquil and Quito, the two major cities of the country. It was planned to send a field unit before the end of the month. Some discussions had also been undertaken with the State Department in regard to possible operations in Chile, Brazil, and Central America, and in the latter area public health experts of CIAA had already left to take part in a survey of conditions along the Pan American Highway.

The Coordinator had also been able by February to secure a man to head the program in the health field. After checking with the Public Health Service, the Pan American Sanitary Bureau, the Rockefeller Foundation group, the Surgeon-General of the Navy, and the Surgeon-General of the Army, Dr. George C. Dunham of the United States Army Medical Corps had been chosen as the best-qualified man to head up the program,

<sup>4</sup> Franklin D. Roosevelt to Nelson A. Rockefeller, March 24, 1942.

<sup>5</sup> William L. Cary to John E. Lockwood, February 23, 1942.

<sup>6</sup> A report to the Coordinator from John C. McClintock, February 13, 1942, noted that the original plan to form a corporation had been abandoned at the request of the Bureau of the Budget.

<sup>7</sup> See chapter 19 for discussion on formation of corporations.

<sup>8</sup> This was the purpose of the letter of March 24, 1942.

<sup>9</sup> Report to Nelson A. Rockefeller to John C. McClintock, February 20, 1942. He noted that request for allocation of funds had gone to the White House the day before.

<sup>10</sup> This allocation was officially confirmed in a letter of the President to Mr. Rockefeller, March 24, 1942.

and he had been assigned to the post by the Army.<sup>11</sup>

Following creation of the Institute of Inter-American Affairs, no substantial organizational change was to occur in regard to the health and sanitation unit throughout the rest of the existence of the agency. As time passed, certain new activities were undertaken by CIAA and placed as companion divisions under the Institute; these were food supply operations, a training program, and certain projects in the field of emergency rehabilitation. All operations of CIAA in the fields of health and sanitation and food supply (and most of those in regard to training) were officially allocated in the agency to a "Department of Basic Economy,"<sup>12</sup> but all operations in the field of basic economy, however, were conducted through the instrumentality of the Institute of Inter-American Affairs. By 1944 three divisions were in existence in the Department. The first of these, the Health and Sanitation Division, had under it three Sections: Administrative, Engineering, and Medical, with the duties of these Sections sufficiently indicated by their titles. The two other Divisions shown were Food Supply and Training. The former Emergency Rehabilitation Division had been abolished by this date, and its few remaining responsibilities transferred to Food Supply.

Since the operations covered by the Department of Basic Economy were to continue for some years, when the Office of Inter-American Affairs terminated its work on May 20, 1946, the Institute of Inter-American Affairs was transferred to the jurisdiction of the State Department to continue to perform those functions which it had been handling, until such time as its program was completed.

The operations of the Health and Sanitation Division, like those of the major divisions in the information field previously discussed, were of a continuing nature. Personnel of the Division was

<sup>11</sup> Nelson A. Rockefeller to Harry L. Hopkins, February 16, 1942. It was noted in the letter that not only the Army, Navy, and Public Health people, but also the private agencies engaged in this type of work were unanimous in their endorsement of Dr. Dunham (at the time holding the rank of Brigadier General, but later to be promoted to Major General) for the post, since he was one of the outstanding professional men in the field of tropical medicine. Dr. Dunham had had extensive experience in Panama and elsewhere in the service of the United States Army Medical Corps, and from 1931 to 1935, had been adviser on public health to the Governor General of the Philippine Islands. He had studied at the London School of Tropical Medicine and had served on the faculty of the Army Medical School and the Medical Field Service School (Press release 91, March 5, 1942).

<sup>12</sup> This Department was headed first by Mr. John C. McClintock as Assistant Coordinator with Dr. Dunham assuming this post by the winter of 1943-44 (as shown in the United States Government Manuals).

held down by the usual Institute practice of employment of as many persons from the other American republics as possible in local operations, not only with the idea of utilizing local labor (as well as local materials and material resources) as much as possible, but also because of the great importance of educating technicians and professional personnel in the other American republics to enable them not only to maintain operations after the work of the Division itself had been concluded, but also to continue the development and expansion of the public health program. In 1944, approximately 50 persons were employed in the Washington office, and about 165 in the field.<sup>13</sup> A majority of the technicians, as in the case of Major General Dunham, and Colonels Albert Dreisbach, Harold B. Gotaas and John D. Yeagley, were members of the armed forces assigned to duty with the agency for the health and sanitation program.

The greater part of the health and sanitation operations of CIAA were carried out under cooperative agreements signed with the governments of the other American republics. The method of arriving at these agreements, and the establishment of field units to carry out operations, will be described in a following chapter covering the organizations of subsidiary corporations.<sup>14</sup> It is sufficient to say here that the plan for carrying out operations under a system which would bring in the Latin American governments as partners in the enterprise, was to set up, by agreement, a department within the appropriate ministry of the country in which the program was to go into effect. This unit, or "servicio," as it was usually called, represented by the Institute of Inter-American Affairs and the local government, and was a unique experiment in cooperative ventures abroad by the United States. The specific program in each country to be carried out by the field parties of the Institute, working in most cases through the servicios, were determined in advance by an agreement signed by the proper Minister

<sup>13</sup> This figure includes only positions under Civil Service and not Latin American employees. As early as February 23 the estimated ratio of American technicians to national technicians in the field programs was 1/25 (J. C. McClintock to H. P. Martin, February 25, 1943). In the summer of 1945 there were 223 United States citizens employed in the programs, including 30 physicians, 52 engineers, 11 architects, and 36 nurses. National personnel numbered 12,278, of whom 356 were physicians, 135 were engineers, 172 registered nurses, 1,495 other technical and clerical personnel, 1,202 practical nurses or sanitary inspectors, and 8,918 workmen.

<sup>14</sup> See Chapter 19 for discussion of both agreements and the organizations of cooperative health units. The Rockefeller Foundation had worked out a somewhat similar idea, but its cooperative units were usually of an advisory character and not directly concerned with operations.



# INTER-AMERICAN COOPERATIVE HEALTH PROGRAM



## BORN DURING THE WAR

To protect:  
 the health of U.S. armed forces at defense bases  
 the health of the forces of the other Americas  
 the health of workers on strategic products

This program,  
 for **PREVENTION** and **CONTROL** of  
**DISEASE**, has resulted in long range countrywide  
 activities which will endure their benefits multiply  
 Millions will be safer from disease in Latin America

## ITS ACTIVITIES ARE

- HEALTH CENTERS
- SANITATION
- ▲ HOSPITALS, MEDICAL POSTS  
& OTHER HEALTH FACILITIES
- | TRAINING
- ★ HEALTH EDUCATION PROGRAMS

of the local government and the Institute of Inter-American Affairs. Individual items in that program were set up as specific projects, agreed to by both.

In the first year of operations General Dunham accomplished the almost unbelievable task, in view of conditions in Latin America and the experimental nature of the program, of arranging for agreements in the health and sanitation field with eighteen of the other American republics.<sup>15</sup> These agreements normally ran for a 2- or 3-year period and almost all of them were extended by renegotiation before termination. An attached chart shows the approximate date when these agreements were first made, when they were renegotiated, and when they will terminate.

Contributions to the cost of the health and sanitation program were made in almost all cases by both the United States and the other American republics concerned. These contributions were arranged on a sliding scale, with deliberate purpose. Those of the United States decreased more or less regularly year by year until the termination date of the agreement, while those of the other American republics concerned increased during the same period. By this device, it was hoped that when the program was completed the local government would be in a position to take over the operation and continue it without a sudden and possibly disastrous increase in regard to necessary expenditures for its maintenance. The accompanying chart, in addition to data noted above, gives a statement of relative cash contributed under agreements in the cooperative health and sanitation program, as carried out through the Institute as of May 1946. It should be remembered that in some cases additional funds have been devoted to the health program by the Institute through special projects.

National funds here mentioned do not include the services, land, materials and supplies furnished by each republic nor the funds supplied by many municipalities and local groups for the work to be executed by the Cooperative Health Services. These contributions are continually increasing, as local communities supply additional funds for special work in their areas.

Operations in the field of health and sanitation started in 1942 were devoted in general to an attack upon the more important public health problems of the Latin American nations. Particular emphasis was laid upon attempts to combat the

diseases of major importance in the public health of each state, and therefore varied somewhat from country to country.<sup>16</sup> In two cases the operations of the Institute were directed toward specific health problems rather than toward a program for the general improvement of public health conditions: in Panama the most serious problem involved was that of malaria control, and the agreement worked out with that nation late in 1942 was limited to the field of malaria control only.<sup>17</sup> In the Dominican Republic the cooperative health program has been devoted for the most part to the control of malaria. In Haiti malaria control, yaws control and community sanitation have received major emphasis.

Types of activities carried out by the field parties of The Institute of Inter-American Affairs, working with the local government, can be broken down into certain major categories, although it should be borne in mind that in almost all cases, operations of several types would be going on simultaneously. One broader field of particular importance was that of sanitary engineering. Here the technicians of the Health and Sanitation Division were concerned with a number of needs. In many cities, for example, public health was seriously affected by lack of an adequate water supply.<sup>18</sup>

A good example of this was the case of the small coastal port town of Chimbote in Northern Peru. In this case the program had a definite importance because of the desire of the Peruvian Government to develop heavy industries in the neighborhood, in view of the existence of extensive coal deposits nearby and the possibilities for development of hydro-electric power. It was also planned to establish a steel mill there. At the time the agreement was signed by the Peruvian Ministry of Public Health and Social Welfare and the Insti-

<sup>16</sup> Specific programs in several American republics have been discussed in various issues of the "Health and Sanitation Division Newsletter," as follows: Bolivia, December 6, 1944; Brazil, September 26, 1945; Chile, February 14, 1945; Colombia, January 17, 1945; Costa Rica, May 23, 1945; Dominican Republic, March 28, 1945; Ecuador, April 25, 1945; El Salvador, July 5, 1944; Guatemala, June 20, 1945; Honduras, September 27, 1944; Mexico, May 9, 1945; Nicaragua, November 8, 1944; Panama, November 22, 1944; Paraguay, June 7, 1944; Peru, August 30, 1944; Uruguay, March 14, 1945; and Venezuela, December 20, 1944.

<sup>17</sup> In March 1944 the basic agreement with Panama was amended to authorize medical care for rubber workers. In May 1944 a special grant of \$16,500 was made by IIAA for this medical care program.

<sup>18</sup> The "Health and Sanitation Division Newsletter," in various issues discussing the development of the program in the other American republics, carries items on water supply projects. Another article connected with the public health water supply program is that by Harold B. Gotaas and Robert D. Mitchell, "Management and Control of Public Water Supply Services in the Other American Republics", in *Journal of the American Waterworks Association*, October 1944.

<sup>15</sup> Argentina and Cuba were not included.

tute of Inter-American Affairs establishing the Chimbote project, only the rudiments of a water supply existed, with water from a nearby river brought within some ten kilometers of Chimbote by an irrigation ditch. No real treatment was given this water and since it was heavily loaded with silt, the water distributed in the town was both turbid and bacteriologically unfit for use. Within the town distribution was extremely limited and most of the water used by the general population was brought in by railway cars and sold in the streets from donkey carts. In view of the anticipated development of Chimbote, the existing water system was entirely inadequate, and preliminary surveys indicated that the only possibility for rectifying the situation was the construction of a new water supply system. Work was started in June 1943 and was completed by May 1945. No description of the specific system installed is necessary; it is sufficient to say that it is adequate to the present population of the town, with some provision made for further expansion as the need arises. It should also be noted, incidentally, that the projects undertaken at Chimbote were part of an over-all health and sanitation plan, one of the several cases where the Division was able to work in this manner.

Water supply projects were carried out in 12 of the other American republics; in 9, actual construction work was done, while in the other three surveys were made for possible future improvement. Operations were sometimes designed to meet several needs as in San Jose, Costa Rica, where the project was planned both to increase the amount of water available for the community and to provide a filter plant to make it more suitable for human use. Water supply projects were also undertaken in rural districts where particular projects in the construction of wells and the use of pumps were made especially on a demonstration basis.

Another part of the Sanitary Engineering Division program was that of sewerage and sewage disposal. In the Chimbote project just mentioned, construction of a sewerage system was carried out as a project of equal importance with other activities of the servicio. Also, almost the first important project of the Institute in its early days was the improvement and extension of the sewerage system in the city of Quito, Ecuador, under the cooperative health program signed with that nation early in 1942. The work at Quito consisted of construction of collector and drainage canals,

installation of sewers in various sections of the city, and renovation of existing sewers. Besides work undertaken in the city proper, several suburban areas were also included in the project. In all, construction work has been carried out on sewerage systems in ten countries and studies have been made in the case of two more. Of equal importance in rural areas, in the campaign to combat parasitosis, the Institute carried out a program of privy construction, this being particularly developed in the Rio Doce area of Brazil and in Venezuela. The Institute also aided in the provision of sanitary inspectors, and in programs health education in connection with this activity, in rural areas.

Still other operations were carried out by the sanitary engineers of the Institute of Inter-American Affairs in the field of general environmental sanitation. In addition to programs designed to improve water supply and sewerage systems, attempts were made in several locations to eliminate other sources of infection which might threaten public health. In this category would fall such activities as the elimination of unsanitary conditions in public markets (a common source of epidemics if proper health protection were not provided) and in the construction, equipping, or improving of restaurants, slaughterhouses, markets, and public baths. In a few cases work was done even in providing transient rooming houses and in slum clearance. As noted, in rural areas projects frequently included lectures and demonstrations looking toward the general improvement of community sanitation as well as certain construction work.

One of the most important activities of the Institute in the tropical areas of Latin America was the carrying out of a number of malaria control projects. Malaria is one of the most serious threats of the tropics, affecting not only the health of military forces, but also seriously curtailing production of critical materials in any area where it is prevalent. Malaria control involved both projects for the temporary combating of the disease and for its more permanent suppression. In the first field, use of sprays, including DDT, and the spraying of oil or paris green over marshy areas was carried out in order to kill larvae.<sup>19</sup> More permanent operations involved drainage of marshy areas and the construction of dikes and ditches to

<sup>19</sup> In the early program larviciding of streams, ponds, and swamps with oil and paris green dust, was done, also some house spraying. Use of DDT started during 1945, and it was increasingly employed later.

prevent accumulations of standing water. House spraying to kill adult mosquitoes was also used extensively as a part of the campaign. Since most of the countries of Latin America have areas in which malaria is common, almost every program undertaken by the cooperative health service in each larger area had some projects devoted to an attack upon malaria.<sup>20</sup> In addition to sanitary engineering operations to eliminate malaria by elimination of breeding grounds, a definite amount of hospital operation was designed to care for those persons afflicted with the malady, and vast quantities of drugs such as atabrine were distributed.

The engineers of the Institute also undertook a number of general construction activities in carrying out the health program. In many areas in the other American republics, hospital facilities were very deficient, and in some cases the program worked out included construction of modern hospitals capable of caring for the needs of communities of varying sizes. In Peru, six new hospitals were completed, for example. This is also being done in Guatemala City, where work on the large Roosevelt Hospital is under way. More commonly, the work of the Institute was to improve existing facilities, either through alteration of buildings or through addition to them and improvement of the facilities in existence. One example of this kind of operation occurred in Nicaragua, where in the two and a half years of operation of the health program three buildings were modified, including remodeling of the Managua General Hospital. Another area in which hospital construction was undertaken was Paraguay, where the improvements were carried out in the Hospital Nacional de Clinicas of Asuncion, and the construction and equipment of a 100-bed tuberculosis sanatorium in the same city was started in 1942 and completed in 1944. Many other projects involving hospital construction, remodeling, or extension, could be described; over 50 hospitals in 13 countries have been constructed, remodeled, or provided with additional facilities since the beginning of the program.<sup>21</sup>

Associated with the construction of hospitals was the construction of health centers, which were similar in character to those which have been

developed in the United States. This activity, held by many persons connected with the inter-American cooperative public health program to be one of the most significant of its activities, provided facilities for maternal and child hygiene, clinical examination and care in connection with tuberculosis and venereal diseases, and processing laboratories necessary for examination in connection with disease control. By the end of June 1945 about 150 health centers had been constructed, equipped, or put into operation by the inter-American cooperative health services in fifteen of the other American republics. These health centers were designed to meet conditions and needs of the particular localities served, and no attempt was made to standardize activities. In Chile, for instance, health centers were designed particularly to combat tuberculosis and for child care. One center, in a low income district in one Chilean city, included such diversified services as public showers and a laundry. In the Amazon Valley, on the other hand, the health services were particularly concerned with the major problem of malaria control. In other cases maternal and child health were emphasized.

In addition to construction of hospitals and public health centers, many even smaller health facilities were put into operation. For example, in the Amazon Valley special laboratories were constructed (usually in connection with other facilities) for research in tropical diseases. In some cases, particularly in areas in which military forces were present, stations for the control of venereal diseases were put into operation. In some capitals, buildings were constructed or modernized to serve as combination health centers and headquarters for the public health ministries; examples of this were the combination health center and ministry of health buildings in La Paz, Bolivia, and Asuncion, Paraguay.<sup>22</sup>

In addition to construction work, all types of actual medical services were carried out. By the same date as mentioned above, over 400 activities were in progress which were devoted to the provision of medical care and preventive services through the operations of the various health centers, clinics, and laboratories, and through surveys and research in disease control. An exceptionally fine example of operations in the field of direct medical care is that undertaken in the

<sup>20</sup> O. R. Causey, and G. B. Mello: "Malaria in the Amazon Valley of Brazil During 1942 and 1943" in *American Journal of Tropical Medicine*, Volume 25, No. 4 (July 1945); G. C. Dunham, "The Americas Fight Malaria" in *Hygeia* (December 1945).

<sup>21</sup> Cf. Herman J. Grimmer, "Reorganizing a Nation's Hospitals" in *Modern Hospital*, April 1946.

<sup>22</sup> By the end of December 1945, construction work included nearly 200 projects for improvement of such health facilities as hospitals, health centers, clinics, dispensaries, and infirmaries.

Amazon area of Brazil. Here the health services undertook two major projects: (1) development of preventive medicine through the establishment of health centers and improvement of environmental sanitation; (2) emergency provision of medical care to family groups and single workers migrating to the Amazon Valley. In August 1942 the cooperative health service took over the Evandro Chagas Institute in Belem, Brazil, as the first step in organizing a training and research center dedicated to the preparation of doctors, nurses, and other professional and technical personnel for the public health program in the Amazon Valley. Supplies and facilities particularly for investigation in malaria were supplied by Brazil. Available as a result of the completion of the gambia control campaign, these personnel, and materials provided the nucleus for malaria study and control. The second step in the development of the center was the leasing and completion of a building as a 40-bed hospital with operating rooms, obstetrical department, lecture rooms, laboratory, and a library. Bed patients were received in this new hospital by the end of 1943. The next phase was the extension of hospital services to the Amazon Valley itself. During the summer of 1942 the whole area of the Valley included in the program was divided into 30 health districts, and plans were made to supply each district with at least one or two health posts which were to be expanded into health centers as soon as possible. Each health district was further divided into subdistricts and each subdistrict into small enough zones to make it possible for one sanitary inspector to cover all potential and actual breeding places of Anopheles in a zone once each week. By the end of the year, physicians and other personnel had been sent to set up health posts in 10 localities, and by December 1943 a total of 34 such posts had been established. Although the emphasis in the program was intended to be on general public health, the great incidence of a number of preventable communicable diseases and the great need for medical care made it expedient to use medical activities as a major part of the Amazon Valley public health program.

One of the first efforts in this area was directed toward emergency control of malaria by larviciding and distribution of atabrine; by the summer of 1943 over 13,000,000 tablets of the latter had been issued. Many other diseases besides malaria were also treated. These activities were regularly maintained and are still under way.

A part of the program involved establishing health posts on a permanent basis, and during 1943 and 1944 each locality was examined to select sites and new buildings or to see whether remodeling could make existing facilities adequate. Another part of the Amazon program was the use of river boats to carry medical care to the inhabitants along the banks of the streams and to transport supplies to health posts, to make surveys, and for use in the training program. By the end of 1945 30 launches were in service in the Amazon in connection with the health posts transporting supplies and personnel.

The program planned for the Amazon Valley also called for the construction of three or more hospitals or dispensaries which would not only provide much needed hospital care in the interior of the Valley, but which were to be integrated with the whole preventive medicine program. Hospitals have been provided for Belem (as previously noted) and for Manaus and Breves, and one at Santarem was nearing completion in December 1945.

Still another problem in the Amazon Valley area in 1942 and 1943 was created by the transfer of large numbers of people and family groups from drought-stricken areas of northeast Brazil to the Amazon Valley. This transfer of population was particularly desirable, not only to relieve the general economic situation in northeast Brazil where food supplies were scarce, but also as a method to provide badly-needed workers for the rubber procurement program in the Amazon Valley itself. The health program therefore called for the establishment of infirmaries to care for workers moving along the roads into the interior, and the cooperative health services provided medical care and improved environmental sanitation conditions in most of the larger camps.<sup>23</sup> Under the Migrant Program 14 medical facilities were operated until December 1945, when the project closed. Of these, four were continued under the Amazon program.

Fully as important as any part of the operating program of the Institute was its plan to train citizens of the other American republics to continue health and sanitation activities after the United States assistance and technicians had been withdrawn from the various projects. Some of this type of training was provided by bringing

<sup>23</sup> Discussion of the Amazon Valley program is contained in the "Health and Sanitation Division Newsletter", May 10, 1944.

persons to the United States to be trained;<sup>24</sup> the organization set up for this purpose and its operations will be described in a later chapter. In addition to this, the cooperative health services planned as much in-country training as possible. Such in-country training was of various types. In connection with all of the sanitary engineering operations (since local personnel was utilized to as great an extent as possible), many persons gained experience in the techniques of environmental sanitation and construction work. In addition, the servicios utilized a large number of local physicians and nurses, and these persons received training as they aided in the program. A certain number of the physicians employed by the servicios were sent to public-health schools in their own country for training in basic public health work.

Very significant in this field of operations was the training provided for nurses. The demand for nursing personnel climbed steadily with the construction and expansion of various health centers and hospitals, and in most cases the training facilities in the other American republics were not adequate to meet this need. As a result, the health services organized local training courses for nurses in 10 countries. These courses covered standard three-year courses of instruction in regular organized schools of nursing and were designed to augment the medical and public health program on a permanent basis. In addition to this program, in order to meet immediate needs, short training courses were set up for "visitadoras", i. e., visiting nurses' aides. These courses were conducted in connection with most of the health programs, with the individuals trained getting practical experience in the health centers and hospitals.

Certain special training courses were set up in specific localities to meet needs in regard to the major disease threat of the tropics, malaria. One of these was established in Venezuela, and personnel to be trained was sent there from neighboring republics. For Brazil, where malaria again was one of the major problems, a similar training center was established at Belem to meet the great need in the Amazon Basin for technicians in this field.

A part of the public health education program involved the preparation and distribution of public health literature. To fill this need, the

<sup>24</sup> Funds of the cooperative health services were on occasion used to apply toward fellowships of this type. For example, by the summer of 1945, 22 SESP scholarships had been granted from Brazil (Health and Sanitation Division Newsletter, September 26, 1945).

cooperative health services tried to provide as many technical public health journals as possible, and to maintain libraries where these might be available to physicians of each particular area. In addition, projects were developed for the translation of such volumes as Military Preventive Medicine and Public Health Administration in the United States into Spanish and Portuguese. Material was also prepared locally to meet specific needs. For example, in Brazil the health centers put up kits containing one or two posters, a few pamphlets, one or two slide films, and a picture booklet to be used by visitadoras in campaigns to combat various health problems. Posters were prepared on such subjects as hookworm, verminosis, nutrition, child welfare, malaria, the fly, and tuberculosis. Pamphlets prepared covered such subjects as malaria, verminosis, nutrition, and the function of the visiting nurse. Films utilized in health campaigns included items produced by the Disney Company, designed to improve public health and sanitation by various methods. Slide projectors and slides were made available for use in schools and in training courses. In some cases it was possible to provide short courses on public health training to primary school teachers and to give in the schools lectures on public health subjects.

In order to educate the lay public, as well as technicians, on public health subjects, the Health and Sanitation Division utilized both radio and motion pictures as media in their campaigns.<sup>25</sup> News articles in the field of health care were also prepared for local publication whenever possible.

One project developed in 1945 provided for the dispatch to Latin America of three public health consultants. These men were sent by the Institute from country to country to aid public health authorities in solving their problems, and to further campaigns for education of the general public.

The Institute of Inter-American Affairs also authorized the allocation of funds for inauguration of a number of special projects, many of which involved substantial programs, and some of which are still in progress.<sup>26</sup> These projects were not under the general supervision of the cooperative services set up in the other American republics,

<sup>25</sup> The education of personnel and the public in the other American republics was generally as difficult as it has been in the United States. It was not uncommon to find screen doors in hospitals left open in order to lessen the work of personnel, or to find instances of failure to obtain replacement parts for equipment simply because the full value of such equipment was not realized.

<sup>26</sup> For the 1944 fiscal year \$4,000,000 was requested for special projects (*Hearings, H.R., 1944, Pt. 1, p. 253*).

*Statement of Relative Cash Participation Under Agreements  
In the Cooperative Health and Sanitation Programs Carried Out  
In Latin America Through the Institute of Inter-American Affairs as of May 1946*

Country	Date of termination of program	Date of original agreement	Amount of funds contributed under original agreements		Date of renegotiated agreements	Schedule of funds 1944		Committed calendar year 1945		Basis 1946		Renegotiated agreements				Amount funds contributed under renegotiated agreements		Total funds contributed under agreements	
			Institute	Local government		Institute	Local government	Institute	Local government	Institute	Local government	1947		1948		Institute	Local government	Institute	Local government
												Institute	Local government	Institute	Local government				
Bolivia.....	Dec. 1947.	July 1942	\$1,005,000	.....	{Aug. 44. Sept. 45. Nov. 43.}	.....	.....	\$ 249,999	\$ 333,332	\$166,666	\$333,332	\$ 83,335	\$333,336	.....	.....	\$ 500,000	\$ 1,000,000	\$ 1,505,000	\$ 1,000,000
Brazil.....	Dec. 1948.	July 1942	5,000,000	\$ 450,000	.....	.....	.....	500,000	1,000,000	500,000	1,000,000	500,000	1,000,000	\$250,000	\$1,500,000	.....	.....	5,000,000	8,000,000
Chile.....	Dec. 1948.	May 1943	5,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5,000,000	1,608,123
Colombia.....	June 1948.	Oct. 1942	1,085,000	500,000	{Jan. 44. Feb. 46.}	300,000	200,000	300,000	400,000	60,000	285,710	60,000	571,420	.....	285,710	{600,000 120,000	{1,142,840 199,485	1,805,000	2,442,325
Costa Rica.....	June 1947.	June 1942	500,000	.....	June 44.	100,000	25,000	100,000	50,000	81,250	59,375	18,750	15,625	.....	.....	300,000	150,000	800,000	150,000
Dominican Republic	Dec. 1947.	Aug. 1943	100,000	.....	Feb. 44.	.....	.....	125,000	25,000	100,000	50,000	100,000	75,000	.....	.....	300,000	150,000	400,000	150,000
Ecuador.....	Dec. 1947.	Feb. 1942	2,755,500	.....	Jan. 45.	.....	.....	134,000	66,666	33,000	66,667	33,000	66,667	.....	.....	200,000	200,000	2,955,500	200,000
El Salvador.....	Apr. 1947.	July 1942	500,000	.....	Feb. 44.	120,000	80,000	100,000	100,000	80,000	120,000	.....	.....	.....	.....	300,000	300,000	800,000	300,000
Guatemala.....	June 1949	Aug. 1942	750,000	.....	{Aug. 44. Feb. 45.}	100,000	50,000	125,000	{125,000 43,251,000}	75,000	125,000	.....	.....	.....	.....	300,000	{300,000 3,251,000}	1,050,000	3,551,000
Haiti.....	Dec. 1947.	Apr. 1942	508,000	.....	July 44.	125,000	25,000	100,000	50,000	75,000	75,000	.....	.....	.....	.....	300,000	150,000	808,000	150,000
Honduras.....	Apr. 1947.	July 1942	500,000	.....	Apr. 44.	150,000	75,000	100,000	100,000	50,000	125,000	.....	.....	.....	.....	300,000	300,000	800,000	300,000
Mexico.....	Dec. 1948.	July 1943	2,500,000	.....	Dec. 43.	500,000	300,000	500,000	400,000	500,000	500,000	500,000	600,000	500,000	700,000	2,500,000	2,500,000	5,000,000	2,500,000
Nicaragua.....	Mar. 1947.	July 1942	500,000	.....	Mar. 44.	150,000	25,000	100,000	50,000	50,000	75,000	.....	.....	.....	.....	300,000	150,000	800,000	150,000
Panama.....	Sept. 1945.	Dec. 1942	516,500	125,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	516,500	125,000
Paraguay.....	June 1948.	May 1942	1,000,000	.....	Feb. 44.	200,000	50,000	150,000	100,000	100,000	150,000	50,000	200,000	.....	.....	500,000	500,000	1,500,000	500,000
Peru.....	June 1947.	July 1942	1,350,000	175,000	Mar. 44.	116,000	38,550	160,000	240,000	200,000	200,000	24,000	21,450	.....	.....	500,000	500,000	1,850,000	675,000
Uruguay.....	Dec. 1947.	Nov. 1943	500,000	100,000	Apr. 46.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	75,000	150,000	575,000	250,000
Venezuela.....	Dec. 1946.	Feb. 1943	1,000,000	600,000	June 44.	250,000	150,000	175,000	200,000	75,000	150,000	.....	.....	.....	.....	500,000	500,000	1,500,000	1,100,000
Totals.....	.....	.....	25,070,000	1,950,000	.....	3,361,000	1,518,550	2,918,999	6,400,998	2,145,916	3,315,084	1,344,085	2,883,498	750,000	2,485,710	10,595,000	18,651,448	35,665,000	20,601,448

<sup>1</sup> This amount appropriated February 1945, by Congress of Chilean Government.

<sup>2</sup> Commitment of local government is Pesos Col. 2,000,000 which at the present official rate of exchange is United States \$1,142,840.

<sup>3</sup> This amount designated for sanitation of port of Barranquilla and represents an additional extra-contractual contribution by local government and city of Barranquilla.

<sup>4</sup> This amount shall be deposited to the credit of the Servicio in the Banco Central de Guatemala

from time to time in installments in such amounts as may be agreed upon by the Minister of Health and the Institute Chief of Field Party.

<sup>5</sup> Funds to be deposited to order of SCISP by installments at such time in such amounts as shall be mutually agreed upon by the Minister of Public Health and the Institute Chief of Field Party, each installment to be paid in the proportion of the equivalent of \$2 United States Currency on the part of the Oriental Republic of Uruguay for every \$1 United States currency on the part of the Institute.

but constituted separate activities, some of which were under the immediate direction of the Pan American Sanitary Bureau.<sup>27</sup> These special projects may be grouped under the following classifications:

(1) *Training program.*—In this connection travel grants were authorized to enable persons in the field to attend conferences, to carry out observation and consultation, and to accept fellowships in medical institutions in the United States. An example of this type of project was a grant of \$50,000 to the Pan American Sanitary Bureau to bring to the United States for training some 35 officers of the military medical corps of the other American republics. These officers made visits to the Army and Navy Medical Centers, the United States Public Health Service, the National Institute of Health in Washington, and went through short courses and periods of observation at various universities and hospitals in the United States. Studies were made of the organization and operation of the Medical Corps of the U. S. Army and Navy, of equipment and arrangements in military hospitals, of new methods relating to aviation medicine, and of orthopedic methods used in the U. S. military posts. Many of these men also were able to attend meetings of the Association of Military Surgeons during their stay in the United States and gained a picture of the activities of the profession in this way. At least 40 special projects were put in operation in the field of training by the Institute of Inter-American Affairs from its inception in 1942.

(2) *Special health services.* — Projects of this type were designed to provide special services to strengthen nursing education, hospital operation, and improvement in keeping national statistics in the field of public health. In some cases projects also covered the provision of drugs and carried out activities in the control of special diseases. Some 20 projects of this kind had been completed or started by the Institute by May 1946.

(3) *Inter-American associations and conferences.* — In this case, aid was given to hospital associations and in the organization of health conferences; some five such projects, such as the Rio Engineering Conference in June 1946, were undertaken by the Health and Sanitation Division.

(4) *Health education material.* — A definite number of medical books, motion pictures, and

publications were provided for use in the other American republics by this method. At least a dozen projects in this field were undertaken.

(5) *Health Programs for workers producing critical materials.* — Operations under these projects were designed to aid the military effort of the hemisphere directly, by improving sanitary living and working conditions in areas specifically concerned with production of strategic materials. Programs of this type were carried out in cooperation with the Foreign Economic Administration and other United States and Latin American agencies. An example of this type of project was the aid given in the production of mica in Brazil. The Institute of Inter-American Affairs was approached by the Foreign Economic Administration in September 1943 with a request to give medical assistance to miners in the mica-mining area of Brazil, since one of the greatest handicaps to the production of this critical war material was illness among the miners. The Institute of Inter-American Affairs agreed to supply medical and sanitary assistance in the mining area, to be financed by FEA and to be administered through the *Servico Especial de Saude Publica*.<sup>28</sup> Areas to be serviced were determined by the Director of the Servico and the field engineer for FEA. The project officially started operation in May 1944 and was later extended to quartz-mining areas. The program involved the establishment of several medical posts, each serving several adjacent mines. Activities carried out consisted of first aid, care of injuries, immunizations, malaria prevention on a temporary basis, treatment of the sick, and general sanitary service to the mining camps. Subposts were also established in less densely populated areas. Other important special projects dealing with the production of critical materials involved supplying medical aid to workers gathering rubber in several countries.

In earlier documents, particularly, the health and sanitation program was emphasized as one of definite military importance to the United States. There was a specific reason for such presentation, as will be shown in a chapter on the philosophy and powers of CIAA. Even before 1942 the agency had been classified as an emergency one, and justification of its programs as directly connected with the war effort was necessary in order to gain the necessary backing. At the same time it is quite evident that the health and sanitation program

<sup>27</sup> One official of the Health and Sanitation Division estimated that approximately \$1,000,000 had been contributed to special projects under the direction of the Pan American Sanitary Bureau.

<sup>28</sup> The Brazilian health and sanitation servico.



had fully as many long-range values as those in the emergency class;<sup>29</sup> in fact, in many memoranda written after the program had been in operation for 2 or 3 years, the emergency nature of the program receives only slight mention. It is true, however, that specific services were given by the Health and Sanitation Division of the Institute directly applicable to hemisphere defense. Aid in the production of critical materials has already been noted in the preceding paragraphs, and this covered services in connection with production of rubber in eight republics, and in four other localities in connection with the production of such items as mica, balsa, cinchona, and sisal. Other services were supplied with direct application to the United States armed forces, including such things as malaria control studies and sanitation work in the neighborhood of the airbase at Belem, Brazil; malaria and venereal disease control and sanitation operations near the United States Army and Navy base at Salinas, Ecuador; malaria control near a similar base in Guatemala; medical care in connection with the Pan American Highway construction operations in El Salvador; venereal disease clinics for workers and United States troops on the United States-Mexico border; malaria control near the United States Naval base at Corinto, Nicaragua; the establishment of a venereal disease clinic in Corinto and other similar operations.<sup>30</sup>

It should be emphasized that the health and sanitation operations of the Institute of Inter-

<sup>29</sup> For example, in response to an inquiry, the Chief of the Bolivian Field Party reported that his group had had very little to do with the war effort; the only possible part of its activities which might be considered in that category being a program of medical care in rubber-producing areas (A. E. Williamson to John D. Yeagley, January 3, 1946).

<sup>30</sup> Additional references to health and sanitation activities may be found in the following articles: Dunham, George C., "Today's Global Frontiers

American Affairs are continuing beyond the date at which this report is being submitted. It is probable that some of the most productive work of the Division will be carried out in the remaining years of the program, since it has now been possible to iron out many difficulties which beset the earlier period of operation. A full report of activities cannot be made at this time, therefore; it is expected that such a report will be published when activities are finally terminated.

It is obvious also that fundamental changes in public health and sanitation in the other American republics could not be carried out by the comparatively limited expenditures of the program in this field carried out by CIAA. The task presented was a tremendous one, and the necessary changes in public attitude which would make such a program effective could come only through a substantial program carried out for many years. The operations of the Institute of Inter-American Affairs, therefore, must, to a certain extent be viewed as what might be called "pilot activities"; by example, and training of personnel, it was hoped that a substantial start could be made in a task which it was realized would take an extended period of time.

in Public Health", in American Journal of Public Health 35, February 1945; "Cooperative Health Program of the American Republics", in American Journal of Public Health 34, August 1944; "Inter-American Cooperation in Medicine", in Journal American Medical Association 128: 170-173, May 19, 1945; "Role of Tropical Medicine in International Relations", in Science 102, August 3, 1945; Gotaas, Harold B., "Sanitary Engineering in Latin America", in American Journal of Public Health 34: 598-604, June 1944; "Cooperative Public Health in the Americas", in Harvard Public Health Alumni Bulletin 1, May 1944; Causey, O. R. and Mello, G. B., "Malaria in the Amazon Valley of Brazil during 1942 and 1943", in American Journal of Tropical Medicine Vol. 25 No. 4, July 1945; Vought, Robert L., Lt. Col., M.C., AUS, "Administration of an Inter-American Cooperative Health Program", in Public Administration Review vol. VI No. 1, winter 1946; Yeager, Clark H., "Mosquito Work in the other Americas", in Proceedings of the Thirty-Second Annual Meeting of the New Jersey Mosquito Extermination Association, held at Atlantic City, N. J., March 28, 29, and 30, 1945.

## FOOD SUPPLY

The second fundamental activity in the program of CIAA in the field for which the Basic Economy Department of the Office was responsible was that concerned with problems presented in the hemisphere in regard to nutrition and food supply. In the previous chapter it has been indicated that a division devoted to this aspect of the program was organized almost as soon as that devoted to health and sanitation. Both were established under the jurisdiction of The Institute of Inter-American Affairs, which itself had been organized as a subsidiary corporation "to aid and improve the health and general welfare of the people of the Western Hemisphere in collaboration with their governments." As a part of the Institute, the Food Supply Division carried on a program of activities in a number of the other American republics and when the Institute was transferred to the jurisdiction of the Department of State in May 1946, the Food Supply Division was of course included. As in the case of the Health and Sanitation Division, it should be noted that the activities of the Food Supply Division are still in progress and will not be completed for some time yet to come. The following chapter, therefore, describes functions still in operation and it is expected that a full report on the entire program in the field of food supply will be written when the program has been completed.<sup>1</sup>

The first important activity of the Coordinator's Office in the field of agriculture and food supply arose from a project probably first discussed by hemisphere agriculture leaders at the Inter-America Conference on Agriculture held in Washington in 1930. In the later 1930's it had become of particular interest to Henry A. Wallace, then Secre-

<sup>1</sup> The Food Supply Division has already distributed several reports on program projects, such as Ten Broeck Williamson's "Three Years of Agricultural Experience in Honduras" (January, 1946), and Thomas Maddock, Jr., "The Agriculture of Panama — Present and Potential" (November, 1945). The program of the Division will not be completed until January, 1948, under present plans.

tary of Agriculture. This was the idea of establishing at some selected central site in the hemisphere an institute for the study of tropical agriculture. The idea was strongly endorsed by Mr. Wallace at the Eighth American Scientific Congress held in Washington in May 1940, at which time he advocated a plan for the preparation of comprehensive data on the subject, and for promotion of a better balanced agricultural economy in the Western Hemisphere.

In the first year of its existence, CIAA was to be drawn into the plan for creating a tropical agriculture institute; details of this special project (about as much in the field of education as that of agriculture) have been covered earlier.<sup>2</sup> It is enough to say here that on September 26, 1941, the Coordinator stated CIAA would back the project, and at the same time announced the creation of a Division of Agriculture in CIAA.<sup>3</sup> At the time this Agriculture Division was established, opinion in the agency was that it should not be very large for it was felt that the Department of Agriculture already had an organization and since it was a policy of CIAA to work through other agencies where possible, that Department should be utilized for most operations.<sup>4</sup>

The Agricultural Division created in September 1941, largely to direct the operations of the tropical institute project, remained in existence for

<sup>2</sup> See chapter 8.

<sup>3</sup> Press release No. 70. The new Agricultural Division was to be headed by Dr. Earl M. Bressman. According to one official of the agency, the agricultural division had been created at the request of Mr. Wallace, who also had endorsed the appointment of Dr. Bressman, who had been Assistant Director of the Office of Foreign Agricultural Relations and a close associate of Mr. Wallace while the latter had been Secretary of Agriculture (E. H. Robbins to Carl B. Spaeth, August 25, 1941).

<sup>4</sup> R. L. Boke to Carl B. Spaeth, September 4, 1941. Mr. Boke thought that a small staff of 6 or 8 persons would be sufficient, although Dr. Bressman, with whom the Coordinator had been talking, had desired employment of some 48 persons. Mr. Boke at this time felt that if the Institute of Tropical Agriculture were to require immediately a good-sized staff, it might be well to set it up as a special project rather than a part of a regular agricultural unit.

only a few months. In that time a new interest in the field had developed beyond the original activities planned (which were classified as agricultural development and production); this was designated as food supply. Likewise, most of the activities of the agency in the former field of development had been placed under the American Hemisphere Division of BEW in a merger of some of the operations of that agency with activities of CIAA in the economic field late in 1941.<sup>5</sup> This arrangement was dissolved in April 1942, and it was decided to transfer the greater part of the agricultural operations of CIAA to the Board of Economic Warfare.<sup>6</sup> Only a few persons of the Agricultural Division were retained in the CIAA for the purpose of recommending agricultural projects to be executed by other agencies; these were apparently soon absorbed in the food supply program.

Meanwhile, discussions in regard to the food supply part of the program had been going on for some time. The problems had been discussed at the Rio Conference, for possible food shortages in the hemisphere were already becoming apparent at that time.<sup>7</sup> When the health and sanitation program had been adopted, it had become almost immediately clear that food supply and nutrition were a part of the picture.<sup>8</sup> When the Institute of Inter-American Affairs was incorporated, its language included passages definitely related to the handling of foodstuffs and agricultural commodities, and recognized the significance of nutrition by granting authority "for the growth, production, and use of nutritive foodstuffs".<sup>9</sup> For this reason, following the transfer of most of the activities of the earlier Agricultural Division to the Board of Economic Warfare, possibilities in regard to development of food supply studies became more interesting as the prospect of shortages became greater. In the last few days of April at the moment that the dissolution of the merger with BEW was being completed, the Coordinator wrote to the Secretary of Agriculture stating that for

<sup>5</sup> See chapter 17 for details of this merger and its dissolution.

<sup>6</sup> Earl N. Bressman to Nelson A. Rockefeller, April 28, 1942. It was estimated that there were about fourteen employees of the Division in Washington at the time, with some twenty-two agricultural experts in the field. The latter were connected with the survey program in regard to rubber and other strategic materials (which had been discussed in chapter 2). This memorandum also noted the transfer of the Institute of Tropical Agriculture project to the Pan American Union.

<sup>7</sup> Several memoranda in agency files indicated that the matter had been brought up before the Rio Conference met.

<sup>8</sup> It is uncertain to whom the first ideas in regard to food supply and nutrition should be ascribed; it is certain that Vice President Wallace had a part in discussions, as well as R. L. Boke, Major General Dunham, and various other men interested in the problem.

<sup>9</sup> Certificate of Incorporation of the Institute of Inter-American Affairs.

some months the agency had been devoting its attention to a reorientation of policy on the part of the United States Government toward the other American republics under war conditions. The program was said to be three-fold, involving "the execution of a large-scale health and sanitation program, the improvement of nutrition and food supply, and the administration of emergency rehabilitation in distressed areas."<sup>10</sup> The matter of nutrition and food supply was held to be "one of the most important and certainly the most critical of those which confront the Western Hemisphere." It was noted that the Department of Agriculture had already worked out a very excellent program for the development of subsistence crops, but it was felt that this program would take several years to achieve results and that in the interim, owing to lack of transportation, certain countries would be faced with serious shortages of food and in some areas conditions approaching starvation. The Coordinator noted that he had had preliminary discussions with the Office of Foreign Agricultural Relations as to what could be done; at this time it was uncertain whether the program could be handled by the Department of Agriculture or some other agency.

The following week, Mr. Rockefeller wrote to Vice President Wallace indicating that the Office was to obtain the services of an administrator to direct the Division of Food Supply and Nutrition.<sup>11</sup> The work in the food supply and nutrition area was to be integrated with the program which CIAA was already starting in "the fields of health and sanitation, disaster relief and such public work which may be necessary to contribute to and to maintain the internal stability of the other American republics which is so vital to their effective collaboration in the war effort."<sup>12</sup> The operations in regard to food supply then contemplated included the possible transfer of food surpluses to distressed areas, the demonstration of modern methods of soil conservation, crop rotation, improvement of the basic agriculture of the various countries, and introduction of subsistence crops through adaption of the Department of Agriculture's Extension Service technique.

By June, 1942, CIAA had developed its program plans far enough for presentation to BEW. Late

<sup>10</sup> Nelson A. Rockefeller to Claude A. Wickard, April 29, 1942.

<sup>11</sup> Nelson A. Rockefeller to Henry A. Wallace, May 6, 1942. A man to head the program had already been selected; this man was James D. LeCron, Chief of the Distribution Division of the Agricultural Administrators of the Department of Agriculture.

<sup>12</sup> Nelson A. Rockefeller to Henry Wallace, May 6, 1942.

in May or early in June BEW assigned to CIAA responsibility for making a study of food shortages at the suggestion of Vice President Wallace.<sup>13</sup> The report which surveyed the food supply problem was submitted on June 22, 1942, and indicated that existing sources of information were insufficient to supply the detailed facts required for its effective solution.<sup>14</sup> The Coordinator offered to establish field parties as required in the other American republics, not only to secure complete data but also to commence immediately, in cooperation with the other governments, such programs of food distribution and expansion of domestic production as were necessary.

The Board of Economic Warfare promptly assigned to CIAA responsibility for gathering information on the matters and for organizing production and distribution of food supplies in cooperation with the governments of the other American republics, through a resolution adopted on June 25, 1942. At the same time a committee was established in Washington, made up of representatives of the Departments of State, Agriculture, Commerce, and the Board of Economic Warfare and with the Coordinator as Chairman, which was to review and integrate the food supply program of CIAA in the other American republics. Under this authority CIAA was able to go ahead with the program in the field of food supply which it desired.

As in the case of some other activities of the agency, the food supply program was faced from the start with a dilemma imposed by the interpretation that it was a war agency only. It is quite clear from letters and memoranda in agency files that its leaders realized that the food production program was important as a long-range project. It also had a definite significance, as already indicated, in the field of emergency relief, because of shortages created by the shipping situation and unusual demands in the production of strategic materials. If full freedom had been allowed, the agency would have openly combined these programs into one which would have met both objectives, but it was faced with the need of justification of its program on a war emergency basis and was likewise under pressure by both the Department of State and the Department of Agriculture to confine its activities purely to operations connected with the war effort. Also in the case of the latter Department, there existed the Division

(the Office of Foreign Agricultural Relations) which had been responsible for some years for certain long-term objectives in the Latin American field, although it was limited to work on crops complementary to those produced in the United States. At the same time, it did not have the funds to carry out extensive operations under its limited authority. Further discussion on policy matters in this connection will be discussed in a chapter on inter-agency relationships;<sup>15</sup> it is sufficient to say here that CIAA was allowed to go ahead with its program, but with it limited largely to areas where activities could be justified as concerned with the war effort in some way.<sup>16</sup> In addition the Food Supply Division, instead of attempting large-scale direct production projects, was expected to concentrate mainly on those designed to promote improvement of existing production, storage, transportation, and marketing facilities; it was hoped these would be designed to leave lasting benefits in the host countries, and to serve as a demonstration of the aid of the United States in general hemisphere welfare. The Food Supply Division was never able to extend its program as widely, therefore, as in the case of the health and sanitation phase of the work of The Institute of Inter-American Affairs.<sup>17</sup>

Operations of the food supply program, in accordance with CIAA practice, were cooperative in their nature where possible, with techniques employed in general paralleling those used in health and sanitation work. Cooperative agreements first were signed with the countries concerned, setting up the general program. Specific agreements were then arranged by the Food Supply Division of The Institute of Inter-American Affairs with the Agriculture or other appropriate ministry in the host country. In most cases the program was carried out by a field party with the status of a *servicio*; in others, food supply operations were handled as a direct operation.<sup>18</sup> Local

<sup>13</sup> Chapter 17.

<sup>14</sup> Programs in Central America were eliminated before they were well started; for example, a letter from Nelson A. Rockefeller to the Secretary of State January 14, 1944, noted that the Nicaraguan food supply program would be terminated on January 15, 1944, and that the initiative to terminate the food supply program in Nicaragua came from our Ambassador to Nicaragua, Mr. Steward. The decision to abandon the program was made at a conference at the Embassy in Managua on November 11, 1943.

<sup>15</sup> For reasons indicated above, statements released by the agency rather tend to emphasize that part of the food supply program which was of direct benefit to the armed forces even though other activities may in the long run be of far greater value in hemisphere welfare.

<sup>16</sup> *Servicios* were not established in Costa Rica, El Salvador, Honduras, Nicaragua, and Panama; these programs, however, were among the smaller ones of the Food Supply Division. See chapter 19 for a discussion of *servicio* operation and organization.

<sup>17</sup> Executive Committee Minutes, June 4, 1942. It was at this same meeting that CIAA had been asked to assume full responsibility for a program to aid shipping by the use of small sailing vessels.

<sup>18</sup> Nelson A. Rockefeller to Henry A. Wallace, June 22, 1942.

# OIAA FOOD SUPPLY

## FOOD SUPPLY ACTIVITIES

OFFICE OF INTER-AMERICAN AFFAIRS  
 REPORT 3945 GRAPHIC REPORTS   
 SOURCE: CIAA FOOD SUPPLY DIVISION  
 USA IS 6/3.1 LOCATION OF ACTIVITIES



UNDER WAY	COMPLETED	
●	●	FOOD PROCUREMENT
■	■	FOOD STORAGE
▲	▲	CROP DEMONSTRATION
▣	▣	LIVESTOCK DEMONSTRATION
◆	◆	AGRICULTURAL EXTENSION
▵	▵	PROGRAM PLANNING

personnel was used to as great an extent as possible, and local materials and labor were utilized extensively in construction work. Most projects also were supported by contributions from both the United States and the host government, arranged on the usual sliding scale whereby contributions from the United States decreased as those from the local government increased.

The first major food supply program undertaken by the agency was in Brazil. On August 24, 1942, word was received of the sinking by submarine of a Brazilian steamer, the *Bage*, with a heavy loss of life, particularly among women and children. At about the same time other Brazilian vessels were sunk by submarines in the same general locality. It was felt by CIAA that the Brazilian Government would undoubtedly call all vessels into the nearest port until convoy operations could be organized, and that this would immediately create a food problem in northeastern Brazil since that area was dependent for food supply on importations from the south.<sup>19</sup> Accordingly, two days after the sinking of the *Bage*, the Assistant Coordinator in charge of the Basic Economy Department and the Director of the Food Production Division were dispatched by air to Rio to negotiate a cooperative agreement with the Brazilian Government for the production of foodstuffs locally in the northeast section of Brazil from Pernambuco to Belem and in the Amazon Basin. This agreement was signed on September 3, 1942, and field operations were started a few months later.

In all, food supply programs were started in ten of the other American republics, although operations were not extensive in at least two of these.<sup>20</sup> Agreements signed were renegotiated and extended in many cases and as noted earlier, operations will not be terminated in some cases until 1948.

Before describing the types of projects which were developed by the Food Supply Division, some statements on general agricultural conditions in the other American republics should be made. In the first place, while most of the countries are commonly described as "predominantly agricultural", productivity is remarkably low. With exceptions in the case of export crops like sugar, coffee, cotton, and bananas, most agricultural production is on a basis of small farm economy,

with operations carried out in a primitive manner and by methods which are normally wasteful of soil resources through erosion and other causes. Poverty of farmers in most cases prevents their acquisition of suitable tools, while lack of training and information prevent full realization of their need and value. At the same time, the Food Supply Division started its work in a period in which most of the other American republics were showing an increase of interest in regard to improvement of agriculture, which made its program one of interest in most republics.<sup>21</sup>

The program which the Food Supply Division developed against this background falls into several general types of activities, although its projects were not started originally with any idea of organization along a uniform pattern, but only to meet specific needs in a given country.

An important type of project developed by CIAA was that looking toward the furnishing of large quantities of certain types of foodstuffs for specific uses. This procurement-type of program was particularly important in Costa Rica, to meet a need for the obtaining of fresh fruits and vegetables by the armed forces of the United States in the Canal Zone. This same project was also able to furnish large quantities of different types of foodstuffs for construction workers on the Inter-American Highway in Central America. Arrangements were first worked out in September 1942 when a meeting was held in Washington between representatives of the Army, Department of State, and CIAA.<sup>22</sup> At this meeting it was made clear that the Army was interested in purchasing foodstuffs in the Central American countries, particularly because of a need to minimize the transportation problem, and Army officials present agreed to purchase products produced there as soon as these were available. It was also made clear that the Army could use a great deal more of such items as potatoes, beans, carrots, beets, etc., than were available at the time and, in fact, could probably use all that could be produced. The Army could arrange for transportation of produce from the Central American countries to Panama and could take care of some aspects of the purchasing end of the problem. It had been informed by the presidents of most of the Central American republics that price control machinery could be

<sup>19</sup> John C. McClintock to Mrs. Janet Barnes, July 26, 1944.

<sup>20</sup> As indicated above, operations in El Salvador and Nicaragua were terminated early.

<sup>22</sup> Memorandum from Percy L. Douglas and others to John E. Lockwood, September 3, 1942.

set up so that there would be no profiteering. Finally, the Army was sufficiently interested in the procurement idea so that it would render assistance in the obtaining of some tools and machinery, and it was willing to sign a memorandum of understanding with CIAA as to the types of food and produce which the Army was willing to purchase, the volume thereof, and the period of time over which such purchases would be extended.

With an agreement with the Army worked out, CIAA went ahead on arrangements with the government of Costa Rica for the program. Exemption from export duties on the produce was agreed upon and plans were made to get produce to the coast. Farmers were then advised by means of posters and newspapers that crop contracts would be let by the Institute for specified produce of a certain quality. Receiving depots were established in several farming centers for purchasing, grading, and packing the produce, and arrangements were made with the National Bank whereby it would lend crop-financing funds to producers against "Letters of Commitment" issued to individual producers by the Institute. These letters of Commitment bound the Institute to buy (although not the producers to sell) the expected produce in question, at prices calculated to afford a fair margin of profit to the producer but below the average open market prices. The Food Supply Division of the Institute then imported rationed quantities of hand tools, seed, insecticides, and fertilizers, which it made available to the producers at cost. A few technicians, both from the United States and locally-hired nationals, were made available to appraise the vegetable-producing capacity of the producers' lands, and to give advice and assistance in preparing the land and in planting and cultivating the crops, many of which were new to Costa Rican farmers.

As the program developed, the Army, which had been somewhat skeptical about the quality and quantity of produce available from Costa Rica, began to rely upon the shipments as an important contribution to the solution of its food procurement problem. A large number of producers, with this steady market available, began to plant vegetables. Some difficulties were encountered at first in regard to quality, but the Food Supply Division inspectors insisted on standards in this respect and through this method were able to secure proper care by producers. The local market for vegetables was also stabilized; while

prices of other foodstuffs followed the general inflationary trend, vegetables and fruits handled by the Food Supply Division stayed at their original price levels since producers were free to sell to the local market if prices rose, and so lowered these prices, while true surplus was automatically sold to the Institute when prices fell below normal. As the Army became more confident in regard to the quality of goods, and because it needed to know the amounts of produce which it might obtain, as time passed the Letters of Commitment were replaced, in many cases, by regular contracts by which the producer agreed to sell specified quantities to the Institute regardless of the general market price.

The procurement program in Costa Rica, of course, had additional by-products. For example, the technical assistance given developed more and more into what might be called an informal assistance and farm-planning service. The Costa Rican exporters also learned reliable methods of packing and shipping goods and, as a result, developed possibilities for a permanent export market. Consumption of a greater quantity of fresh vegetables by the Costa Rican public also resulted, a factor in improvement of nutrition in the area. Finally, acceptance of new agricultural techniques became well established among producers. Incidentally, the Costa Rican procurement program was not carried out under the *servicio* system, although there is no reason to believe that that type of operation would have been unsuccessful. The intimate relationships established between the Food Supply Division field party and the Minister of Agriculture, however, worked out a well-established basis for the beginnings of an agricultural extension service, an agricultural economics establishment, and an irrigation engineering service.

In Costa Rica also, another type of project was developed by the Food Supply Division which can be classified in the "pilot-plant" category. In connection with the procurement program it was found that in one section of the country, on the rainy eastern slopes, it was possible to produce large quantities of corn. The main obstacle to such production lay in the almost constant high humidity which caused corn to mildew, rot, or even sprout on the ear in the fields before it was possible to harvest it. For the same reason, corn, once harvested and dried, would be spoiled in storage while awaiting transportation, and since heavy seasonal rainfalls immediately following the harvest frequently washed out the railroads to the

food markets of the interior, occasionally the entire crop was lost, causing hardship both to producers and consumers. In order to meet this problem, it was decided to attempt to construct an ear corn dryer. An agreement was drawn up with the government whereby the Institute of Inter-American Affairs agreed to build the dryer with its own funds and the government to buy it at cost price if the installation and operation of the facility proved to be financially self-liquidating. The dryer was built in accordance with special designs drawn up to deal with the conditions noted. Since the undertaking was frankly experimental, it was necessary to redesign the dryer in part after a few months' operation, to permit more rapid handling of the increased quantities of corn which were brought to the dryer for processing. The experiment proved to be reasonably successful, and it was expected that other dryers might be installed as needed in other parts of the country. This type of project undertaken by the Institute therefore served as a medium for improving production in the case of this product to the general benefit of the area.

Another type of project carried out by the Food Supply Division was the establishment of extension services. In Peru, for example, where the Food Supply Division worked through a *servicio*, one of its principal objectives was the creation and operation of such an agriculture extension service. When the program started, the nation had a fairly complete Ministry of Agriculture with departments and sections set up to deal with all the principal problems and needs of agriculture in the country. There were also present a good number of agricultural technicians trained both locally and abroad, and there were in the Ministry sections for Animal husbandry, Plant Pathology, Experiment Stations, and Research Agricultural Economics. Nevertheless, as was common in many countries, the greatest aid had been given by the government to the large producers of such crops as cotton and sugar cane, rather than to the small planters of food crops. When the war came and with it the curtailment of shipping and general scarcity of foodstuffs which the nation had been accustomed to import, it became important that the production of foodstuffs should be increased. To meet this need, the *servicio* turned to the establishment of an extension service. It soon developed that among the obstacles to production of great amounts of foodstuffs were factors of storage, marketing, credit, transportation, farm

machinery, and the like, besides the more purely agronomic problems of properly utilizing seed, fertilizer, insecticides, tools, and cultivation techniques, usually the main activity of agricultural extension agents.<sup>23</sup> Accordingly, other *servicio* projects in the broader fields of agricultural economics, food storage and distribution, farm machinery, and livestock were channeled to operate through the Extension Service, and were made more effective through that Service's intimate contact with the farmers and knowledge of their needs and problems. On occasion, for example, the rural agent was able to interest local groups in taking concerted action to solve problems of agriculture inherent in the particular locality.

Another type of activity developed under the auspices of the food supply program was that of farm rehabilitation credit. In Paraguay it proved to be one of the most important undertakings of the *servicio* for the improvement of farming conditions.

On the recommendation of Dr. E. C. Johnson, special representative of the United States Department of Agriculture's Farm Credit Administration, who made a special trip to Paraguay at the request of the Food Supply Division in 1943 to conduct a survey as to the need for a farm credit project, the Paraguayan Government created a supervised credit agency and gave it \$600,000 to loan to farmers.

Under the guidance of the *servicio*, supervisors were trained and sent to work in rural communities as representatives of the credit agency. These supervisors arrange for the extension of loans to nearby farmers for crop production, the acquisition of livestock and equipment, new barns or other buildings, or the amortization of existing debts. Ample credits are arranged for establishment of farm cooperatives and technical advice and supervision are always available to help the farmer practice modern methods of agricultural development.

Another type of activity of the Food Supply Division was undertaken in 1945 in what might be called a program of rehabilitation, in Haiti. Here, following the abandonment of a project to produce rubber through the growing of *cryptostegia*, a large amount of land was due to become idle.<sup>24</sup> The land owners in Haiti had been dependent on

<sup>23</sup> William A. Casseres, Report on Operations of the Food Supply Division, November 1945.

<sup>24</sup> This project had been under direction of the Rubber Development Corporation and the Societe Haitiano-Americaine de Development Agricole.



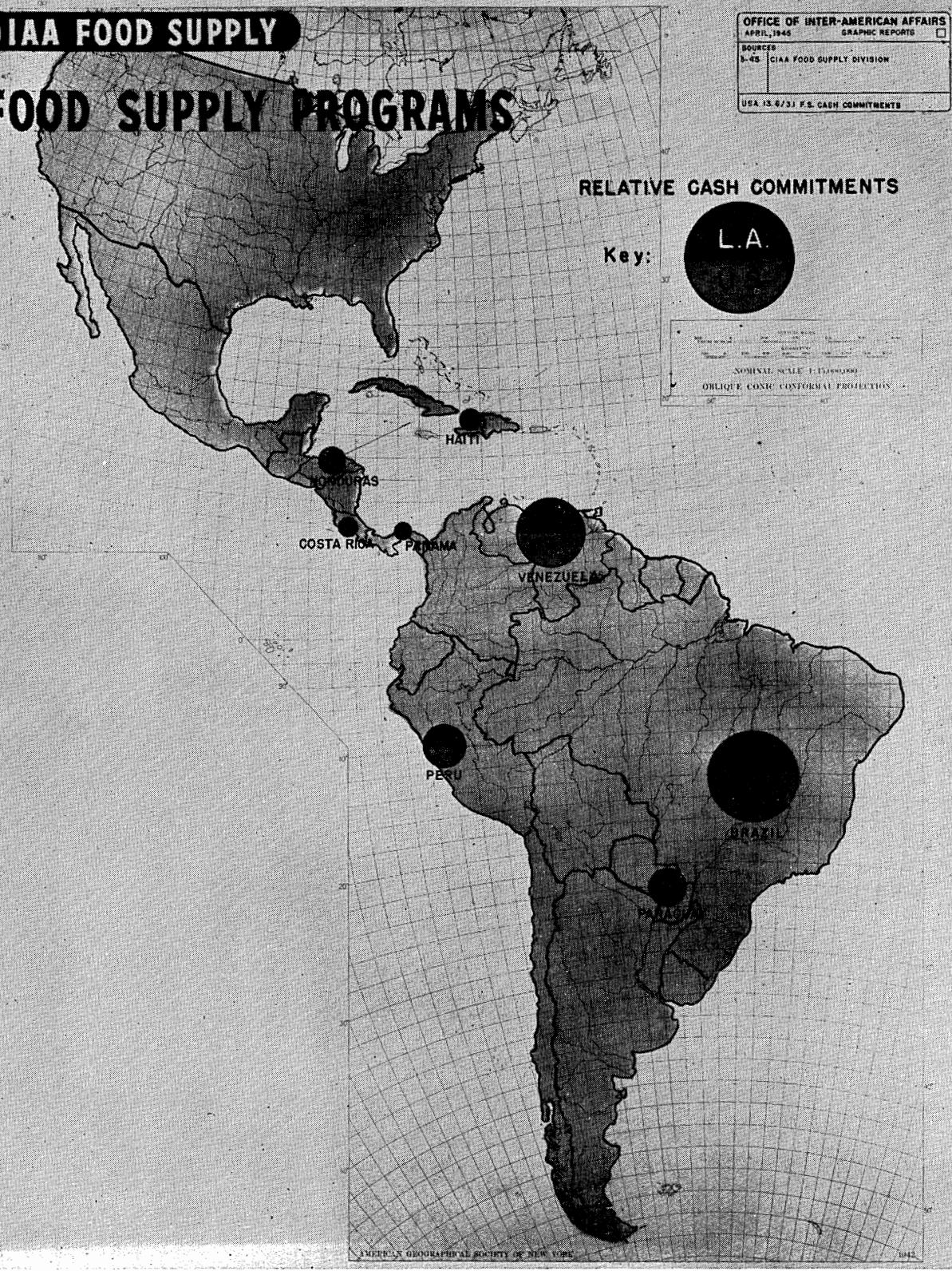
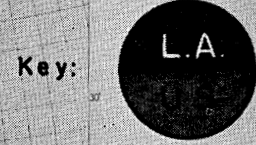
# OIAA FOOD SUPPLY

# FOOD SUPPLY PROGRAMS

OFFICE OF INTER-AMERICAN AFFAIRS  
APRIL, 1945  
GRAPHIC REPORTS

SOURCE	
1-45	CIAA FOOD SUPPLY DIVISION
USA 13. 6/33 F.S. CASH COMMITMENTS	

## RELATIVE CASH COMMITMENTS



AMERICAN GEOGRAPHICAL SOCIETY OF NEW YORK

1945

the rentals and day wages resulting from the rubber development program, but these sources of income were to be precipitously cut off.<sup>25</sup> Few were able to replant lands in food crops without assistance, and unless a program were undertaken to resettle them upon their lands, real hardship would have followed. As a result of this, the Department of State requested CIAA to enter into such a program, to be carried out through the Haitian Minister of Agriculture and to be limited particularly to assistance in regard to seed, fertilizer, tools, leadership, and supervision.

Another type of activity may be classed under the heading of "demonstration" activities; the corn dryer project in Costa Rica described earlier falls into this category. Demonstration programs in Latin America had somewhat greater value than in the United States where they have been occasionally condemned because not enough persons could observe them to give great benefit, and where they have been usually carried out with equipment and funds not available to the ordinary farmer. In Latin America, however, the demonstrations frequently called the attention of the government to the importance of undertaking sponsorship or subsidizing of such programs as cattle dipping, grasshopper control, soil conservation, farm machinery pools, farm training schools and the like. The demonstration programs, therefore, of the Food Supply Division were designed to round out other programs which otherwise might have received little support from the governments concerned.

Types of demonstration activities covered a number of fields. An important one was in regard to improving storage facilities, which in many countries were quite inadequate; in Venezuela, for example, excess spoilage of products from insects, high temperatures, and humidity operated to create a wide spread in prices from producer to consumer. As a result, the Food Supply Division experimented there in construction of storage bins utilizing such things as brick, wood, metal, and other materials. In addition, dryers to condition grain for storage were developed in several areas. Other demonstration projects were such activities as construction of irrigation systems, proper plowing of soil to prevent erosion, and projects to indicate possibilities in the improvement of livestock breeding.

It has been noted in connection with other operations of the Office that one of the features consi-

dered most valuable of all was the program of training nationals of the other American republics to carry on operations successfully after participation by the United States had ended. This was as true in the case of Food Supply activities as with any other division. The actual material accomplishments of the food supply program were bound to be insignificant against the magnitude of the problems faced, but through the educational work of the Division, which was felt at all levels from the farmer in the field to the Ministries of Agriculture, it was hoped that the techniques learned would result in a long-range improvement of agricultural conditions in Latin America. The training of Latin American agronomists through the medium of fellowships in the United States was one method of operation; this aspect of the training program will be outlined in a later chapter. In addition, on-the-job training was afforded to all field employees of the servicios and the Institute.

The type of training found most successful was that which was acquired by Latin American farmers and agriculturists through actual work on the farms, whether in their own countries or in the United States. In Brazil, for example, special farm schools were created where young farm boys, by doing all the chores and jobs of a diversified farm became familiar with improved ways of doing these tasks. Some 350 trainees went through these farms in the course of the Brazilian servicio's existence, at a minimum cost in money and without loss of time in travel, or of effort in learning languages, mathematics, and other literary impedimenta of academic courses. Similar programs were carried out in Paraguay and in Nicaragua.

In some areas, such as Venezuela and Paraguay, attention was given to distribution and consumption of foodstuffs as well as production, through what might be called a "home economics" program. Short courses were given for officials handling home demonstration work, and the agents who would actually carry out the program in the field. These types of programs have been unusually successful in creating good will. It was the principal activity that directly appealed to the women of the country, carrying the idea of the higher level of living directly to the home.<sup>26</sup>

Food supply operations met with the usual number of problems. Inability to plan programs

<sup>25</sup> Mary Gunnell Lewis, "Home Demonstrator in Venezuela", "Journal of Home Economics", January 1946; "Las Mujeres del Campo Aprenden Algo Nuevo", *En Guardia*, Año 4, No. 12.

<sup>26</sup> Cordell Hull to Nelson A. Rockefeller, June 30, 1945.

over sufficient length of time to make them effective was a serious handicap; at no time was it possible to plan securely for more than 2-years' operation, while the usual time limit of agreements was one year. This time limitation also resulted in inability to acquire and hold personnel on occasion. Another handicap was that, as part of a government operation in wartime, needs for clearance on projects regularly slowed up activities. Bureaucratic rivalry, as has already been noted, likewise limited the operations of the Food Supply Division.<sup>27</sup> Nevertheless, although it was

<sup>27</sup> The first Director of the Food Supply Division, Mr. James D. LeCron, resigned in September 1943 for this reason. This incident is discussed in chapter 17.

never possible to extend operations to the extent desired, the Food Supply Division's program aid in the war effort, particularly by procurement and agricultural extension activities, is expected to make a lasting contribution toward a higher level of living in the other American republics. It trained a large number of technicians; it emphasized the importance of a department of agriculture within the government; it called attention to the vital place the small farmer plays in food production; and it created an organizational structure upon which agricultural improvement can be carried on.

*Statement of Relative Cash Participation Under Agreements in the Cooperative Food Supply Programs Carried out in Latin America through the Institute of Inter-American Affairs, as of April 30, 1946*

Country	Date of termination of program	Date of original agreement	Amount of funds contributed under original agreements		Date renegotiated agreements	Amount of funds contributed under renegotiated agreements		Total funds contributed under agreements			
			Institute	Local government		Institute	Local government	Institute	Local government		
Brazil.....	Aug. 20, 45	Sept. 3, 42.	\$2,000,000	\$1,903,550	July 27, 44	.....	.....	\$2,000,000	\$1,903,550		
Costa Rica.....	Dec. 31, 47	<sup>1</sup> Oct. 15, 42	151,000	.....	<sup>1</sup> Mar. 8, 44	\$ 11,000	.....	162,000	.....		
El Salvador.....	Apr. 1, 44	<sup>1</sup> Dec. 22, 42	18,798	.....	<sup>2</sup> Nov. 24, 43	.....	.....	18,798	.....		
Haiti.....	Dec. 31, 46	<sup>3</sup> Aug. 28, 44	125,000	50,000	<sup>3</sup> July 20, 45	50,000	\$ 50,000	175,000	100,000		
Honduras.....	June 30, 45	<sup>1</sup> Mar. 4, 43	158,250	.....	<sup>3</sup> May 17, 44	40,000	40,000	198,250	40,000		
Nicaragua.....	Jan. 15, 44	<sup>1</sup> May 20, 43	31,498	.....	.....	.....	.....	31,498	.....		
Panama.....	Mar. 31, 46	<sup>1</sup> Nov. 20, 42	116,750	.....	<sup>2</sup> Oct. 30, 43	.....	.....	116,750	.....		
Paraguay.....	Dec. 31, 47	Dec. 31, 42	250,000	50,000	{ Feb. 18, 44	250,000	50,000	} 550,000	} 175,000		
					{ Feb. 25, 46	50,000	75,000				
					{ June 1, 44	150,000	300,000				
Peru.....	Dec. 31, 46	May 19, 43	162,977	162,977	{ June 8, 45	75,000	150,000	} 387,977	} 612,977		
					{ May 17, 44	500,000	500,000				
Venezuela.....	May 13, 46	May 14, 43	500,000	500,000	.....	.....	.....	1,000,000	1,000,000		
Totals.....	.....	.....	\$3,514,273	\$2,666,527	.....	\$1,126,000	\$1,165,000	\$4,640,273	\$3,831,527		

<sup>1</sup> Direct expenditure basis (not Servicio).  
<sup>2</sup> Renegotiation not involving funds.

<sup>3</sup> Cooperative Food Program (not Servicio).

## EMERGENCY REHABILITATION AND TRAINING OPERATIONS

Certain activities of the Institute of Inter-American Affairs were handled under a division called "Emergency Rehabilitation." Only two major projects of this type were to be undertaken although for a time it was thought that this program might be extended farther.<sup>1</sup> Both of the major projects undertaken were originated outside the agency, and both had certain political implications.

The first of the emergency rehabilitation projects carried out by CIAA through the Institute concerned the El Oro Province of Ecuador. This area had been seriously damaged during a border clash between Peru and Ecuador in the summer of 1941. A large number of inhabitants of the area had been driven out, and its capacity for sustaining itself had been greatly reduced.<sup>2</sup> During the Rio conference of January 15-28, 1942, discussions had been held in regard to the final settlement of the border dispute between the two countries, and arising from these discussions the United States decided to give aid in the rehabilitation of the El Oro area.

The Coordinator's Office was drawn into the El Oro project at the end of January, when a letter from an official of the State Department recapitulated the El Oro situation, noting that the boundary dispute should be settled soon and that Peruvian troops would be withdrawn before long. He pointed out that in El Oro there were no tools, few houses and house furnishings, no livestock, no standing crops, and no more than a small supply of food. The Ecuadoran Government was not able to give aid and it would be necessary for the United States to do so.<sup>3</sup> He suggested that CIAA advance financial assistance and also take under

consideration the administration of expenditures. He suggested that the Red Cross, because of its experience in aiding in large-scale disasters, might be approached for suggestions in the matter, and also that it would be desirable to consult the Pan American Sanitary Bureau. He noted that a two-fold program was presented: first, to obtain necessary funds, and second, to build an organization; the latter would have to work very closely with the Ecuadoran Government and might even need to be set up as an Ecuadoran relief organization. It was estimated at this time (on a very tentative basis) that possibly \$750,000 would be needed.

The Coordinator immediately took up the matter and in February 1942 a three-man mission was sent to investigate damages and to give some immediate relief, as well as to make plans for more extensive activities. Food, tools and drugs were distributed, and a force of men put to clearing undergrowth which had grown up in the streets of many El Oro towns. The mission returned to Washington and in May 1942 presented recommendations looking toward an extensive program. These recommendations were studied by the State Department and arrangements were made with the Bureau of the Budget to allow CIAA to allot to the project approximately \$500,000.<sup>4</sup> The State Department felt that it would be desirable to handle the project through the agency of the Ecuadoran Development Corporation (branch of IADC which was to be set up in the immediate future). Technical personnel was to be made available by CIAA, and since the agency worked very closely with IADC, it would be possible to administer the project properly. The Coordinator agreed to this plan; he pointed out, however, that the eventual success of the rehabilitation project

<sup>1</sup> An additional small project, involving road constructions in Nicaragua, was undertaken under the Emergency Rehabilitation program.

<sup>2</sup> Cf. Sylvia Martin, "Uncle Sam Takes the Rap," in *The Inter-American*, April 1944.

<sup>3</sup> Philip W. Bonsal to John C. McClintock, January 31, 1942.

<sup>4</sup> Laurence Duggan to Nelson A. Rockefeller, May 25, 1942. The Ecuadoran Government contributed an additional \$300,000.

would involve continued maintenance for some years beyond the actual date of the project itself.

With money available, a twelve-man technical mission was sent in July, and work started which lasted through January 1944.<sup>5</sup> At least 60 separate projects were included in the entire El Oro program, and it was planned that these would be followed by an economic development program to last at least 4 years.<sup>6</sup> The program in El Oro covered a number of associated fields and for this reason was particularly useful as an over-all experiment in general rehabilitation of an area. Doctors and engineers carried out activities in regard to sanitary engineering and environmental sanitation. Teachers were sent in to care for the educational needs of the region. Roads were built to furnish transportation into the area. New crops and livestock strains were introduced, and an 18-month demonstration and extension service was put in operation with the hope that training supplied to inhabitants of the area would enable it to become self-sufficient; it did send, for a time several tons of food products monthly to Guayaquil and neighboring United States military bases. Tools were furnished, and seeds supplied. A narrow gauge railroad to the coast was repaired and put in operation, and harbor facilities repaired at the small port which served the area. Marshes were drained and filled. Water supply systems were built or repaired, and demonstrations were given of sewage and garbage disposal methods. Three hospitals were rebuilt and three dispensaries put in operation, while medical technicians were trained and educational courses given in schools and in clinics. In short, the plan put in operation by CIAA was the working out of a unified rehabilitation program, ranging from immediate relief to basic projects in food production and health measures, with the long-range part of the program emphasizing reorganization of facilities and as much training as possible. While, as noted, the project was of comparatively short duration insofar as CIAA supervision was concerned, and while it was not continued after withdrawal of United States technicians in the way which it had been hoped, it served to demonstrate that rehabilitation

<sup>5</sup> Brief discussions of the Ecuador Project are found in John M. Clark "Revival in El Oro" in *Foreign Commerce Weekly*, August 21, 1943; John M. Clark "Curtain-Raiser in Rehabilitation," in *Survey Graphic*, June 1943.

<sup>6</sup> However, information at hand seems to indicate that the project has not been effectively followed through as was hoped for; special taxes were set up by the Ecuadoran Government to take care for the program but various internal difficulties prevent strong prosecution of the El Oro project.

through proper means could be carried out successfully.

The second major emergency rehabilitation project undertaken by CIAA involved highway construction in central Honduras. The need for this construction work (which must be viewed more in the line of emergency rehabilitation than actual highway building) arose in the spring of 1942. Ship shortages were becoming acute because of losses by submarine attack and withdrawal because of the tremendously increased demand for vessels for uses elsewhere. By June 1942, it had become evident that banana vessels were to be withdrawn from the Central American run and that, as a result of this, banana exports would be cut immediately from some 850,000 tons a year to around 220,000 tons.<sup>7</sup>

The State Department as a result of information received from Central America became much concerned over the unemployment situation which would follow in the banana area and the fact that this would probably result in a serious political crisis in Honduras, an event which would adversely effect the war effort and United States interests. While reconversion of agriculture in Honduras to the production of strategic materials such as sisal was in prospect, some time would elapse before new production could absorb workers thrown out of employment by the withdrawal of vessels from the banana trade. Conferences were accordingly held at which representatives of the Export-Import Bank, State Department, and CIAA were present, and it was decided that aid should be given to Honduras (other countries were affected by the reduction in banana exports but not to the extent of this country, 75 percent of whose revenue in normal times was derived from this source) through the improvement of a very bad highway between Tegucigalpa, the capital of the country, and the nearest railhead to the coast. It was planned to make the construction project a pick and shovel job in order to put as many men to work as possible.<sup>8</sup> Formal recommendation was then made by the Department of State that the first step in meeting the unemployment problem in Honduras would be the improvement of the northern portion of the highway mentioned, utilizing as much manual labor as was feasible. It was recommended that CIAA set aside for this project

<sup>7</sup> John C. McClintock to Nelson A. Rockefeller, July 23, 1942.

<sup>8</sup> CIAA desired to add to the road construction project by others in the field of subsistence agriculture and with health and sanitation activities, to round out the program in Honduras, but was not allowed to establish an extensive, over-all operation.

\$2,000,000 of the funds appropriated by Congress for the basic economy activities of the agency.<sup>9</sup>

After preliminary investigation, an agreement was signed by the CIAA and Honduran officials on September 30, 1942. The section of the road to be reconstructed was that between Potrerillos (the railhead of the fruit company railroad running to the coast) and a place called Pito Solo. This would particularly serve to obviate the need for transshipment of goods from the interior across a large body of water (Lake Yojoa) which offered a serious transportation handicap in the area. This program was to be carried out with as great cooperation as possible between CIAA and the Honduran Government, with wages fixed at a basic figure by consultation between these two agencies and the United States diplomatic representative in Honduras.<sup>10</sup>

Road operations commenced on October 1, 1942, and under the supervision of an engineer of the Public Roads Administration a party of competent Central American road engineers were hired and headquarters established. Tools were purchased and arrangements made to bring laborers to the area according to quotas established for various towns in the neighborhood. Within 6 weeks of the opening of operations some 1,800 men were effectively at work. As noted, manual labor was used wherever possible, to avoid making heavy demand on vital manufacturing and shipping facilities, to give aid to a large number of unemployed persons, and because of the practical impossibility of delaying operations for the several months which would have been necessary to assemble machinery.

The Honduran highway project was completed in August 1944. The road constructed was about 50 miles in length, and was estimated to have cost in the neighborhood of \$1,220,000. About 1,800 workers were regularly employed on the job until plantings of strategic crops and increased banana shipments in 1943 began to reabsorb the men in to normal employment. The emergency road project, therefore, was held to have achieved its primary objective of averting a situation in Honduras dangerous to the war effort; it also succeeded in improving transportation in the

country by supplying an effective highway connection between the capital and the coast.<sup>11</sup>

In previous chapters frequent mention has been made of the use of training programs as one of the most important features of the CIAA program, since it was realized by the leaders of the agency that any improvement in the various fields of its operation would only become permanent if citizens of the countries where work was being undertaken could carry on activities after United States participation had withdrawn. As a result, almost from the start CIAA included in plans for its activities projects for the training of personnel in various fields.

The first training program started was connected with the operations of the Commercial and Financial Division. In the early months of 1941 its members advanced a plan for systematic sponsorship of industrial training in the United States for chosen young men from the other American republics. The purpose stated at this time was two-fold. First, it would give trainees practical experience in certain selected lines of industry or constructive professional activities that could be put to use by them upon their return to their homes, and thus serve in the development of their own countries.<sup>12</sup> Second, it was believed that such a system of instruction would result in the creation in the American republics of a group of men who would retain friendship and respect for the United States and would thus exert an influence for better relationship in the hemisphere in the future.

It should be noted that the program was not entirely new, for in previous years a few industrialists in the United States had been in the habit of bringing Latin Americans to this country for training. During 1940-41 the practice had become increasingly difficult because of the emphasis on the war program. By 1941 obstacles in connection with communication, travel, security clearance, selective service regulations, and other factors had become such that the need of a centralized agency of official character to deal with them had become clear.

In development of the so-called Inter-American Trade Scholarship program, a number of projects were to be carried out. The plan got under way on August 25, 1941, with an allocation of \$100,000, of which \$80,000 was to be utilized for 40 2-year trade

<sup>9</sup> Sumner Welles to Nelson A. Rockefeller, August 1, 1942.

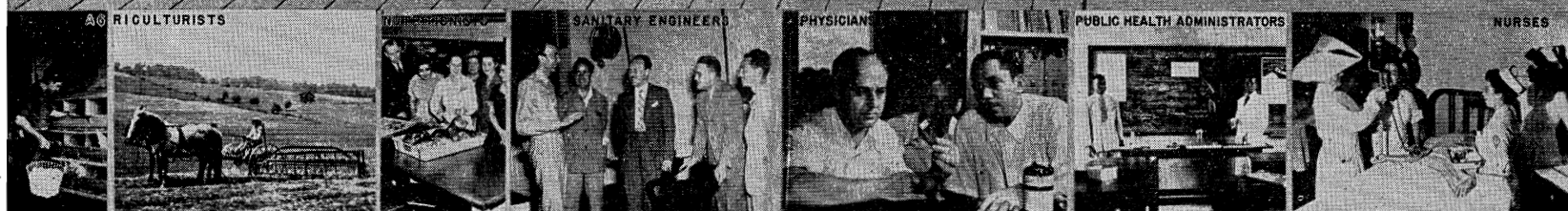
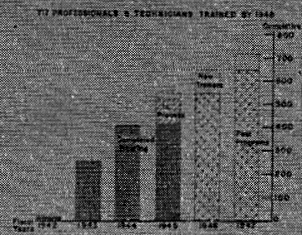
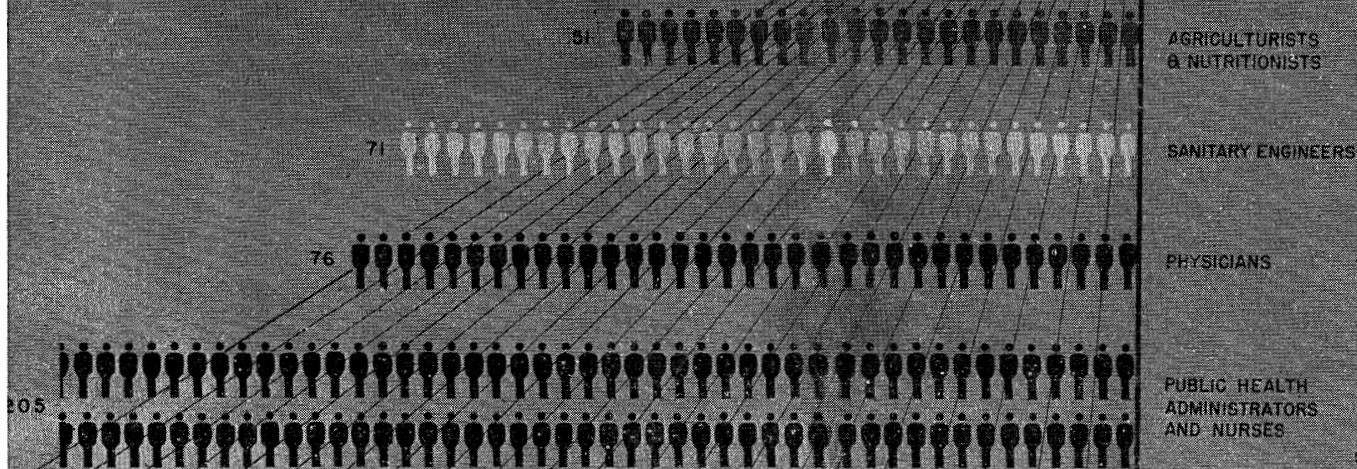
<sup>10</sup> The basic wage was set at \$0.75 a day (United States) for unskilled labor; this was a compromise between the average Honduran Government rate of \$0.50 to \$0.60 a day, and fruit company rates, which had previously averaged up to \$1.25 a day.

<sup>11</sup> Reports after the road was completed indicate that trucking charges into the interior were reduced by at least one-third.

<sup>12</sup> It was specified in this project that the trainee upon completion of his course in the United States should return home instead of seeking continued employment in the United States.

# TRAINING PROGRAM IN UNITED STATES

Professionals and Technicians Trained Under  
The Program To Date (1942-1945)



scholarships while the remainder was to cover administrative expenses for the plan to June 30, 1942. The Coordinator's Office at the time had no machinery for administration, a task which involved the selecting of applicants, obtaining clearances for them, arranging transportation, taking out insurance against accidents, and a number of other items. To meet this difficulty, the service unit for training was set up as a division of the Defense Supplies Corporation, subsidiary of RFC, by an exchange of letters between Mr. Rockefeller and Mr. Jesse Jones.<sup>13</sup> For the next several months the training program was thus to be technically a part of DSC, although financed by CIAA and regularly spoken of in memoranda as a division of the latter agency.

Selection for trainee awards from among numerous candidates was placed in the hands of carefully chosen committees in each country representative of local interests and of United States residents, and under the supervision of the United States diplomatic mission.<sup>14</sup> Full documentation of the candidates' experience and physical condition was required, and upon the submission of these papers with corresponding recommendations, awards were made by CIAA.<sup>15</sup> Complete arrangements were made for travel, insurance, and money allowance or per diem until the trainee should arrive at his place of occupation. One of the requirements first set up was a satisfactory knowledge of English but in practice it was found that comparatively few had the fluency that would be needed, and a preliminary period of training or orientation was provided in or near Washington. Meanwhile, a place was sought for each trainee with some approved industrial or commercial concern in the lines indicated by the trainee's application, with the understanding that when the trainee arrived at the designated place of training, the employer would undertake to pay him at the same rate applying to similar courses given to a citizen of the

<sup>13</sup> According to some accounts, this arrangement was worked out by Walter P. Chrysler, Jr. Mr. Elliott S. Hanson, who had experience in Latin America and in public relations with the Carnegie-Illinois Steel Corporation, was appointed to direct the training program.

<sup>14</sup> These committees in many cases were to have as members persons who were also on the coordination committees, and it was necessary in March 1945 to send a circular letter to all coordination committee chairmen indicating that the Inter-American Training Administration, Inc., was an autonomous body, although it received grants-in-aid from CIAA. Members of its trainee selection committee should not consider themselves when operating in this capacity as in any way carrying out CIAA functions.

<sup>15</sup> Until the Training Administration became autonomous, of course.

United States.<sup>16</sup> It was understood that the trainees would not be required to take out union membership since they were to be considered neither employees nor apprentices, but had a special status. They were not, however, to replace any United States employees, and upon termination of the training period, which might cover as much as two years and be spent in different localities, the trainee would return to Washington and then to his own country.

The United States Government contributed to the training program by ruling that living allowances provided by the companies for the maintenance of the trainees were not to be considered wages and, therefore, not subject to income tax or social security deductions. The companies also were allowed to charge off expenses involved as operating costs.

To handle arrangements for actual transportation of trainees and for the living accommodations and also in connection with insurance, an agreement was signed with the American Express Company. This company took care of transportation of candidates from their homes to the most practical point of embarkation and made rail or other transportation reservations for them in the United States; purchased steamship, rail or other tickets necessary; advanced to the candidates living allowances; and arranged for members of its travel staff to aid the candidates during their trips.

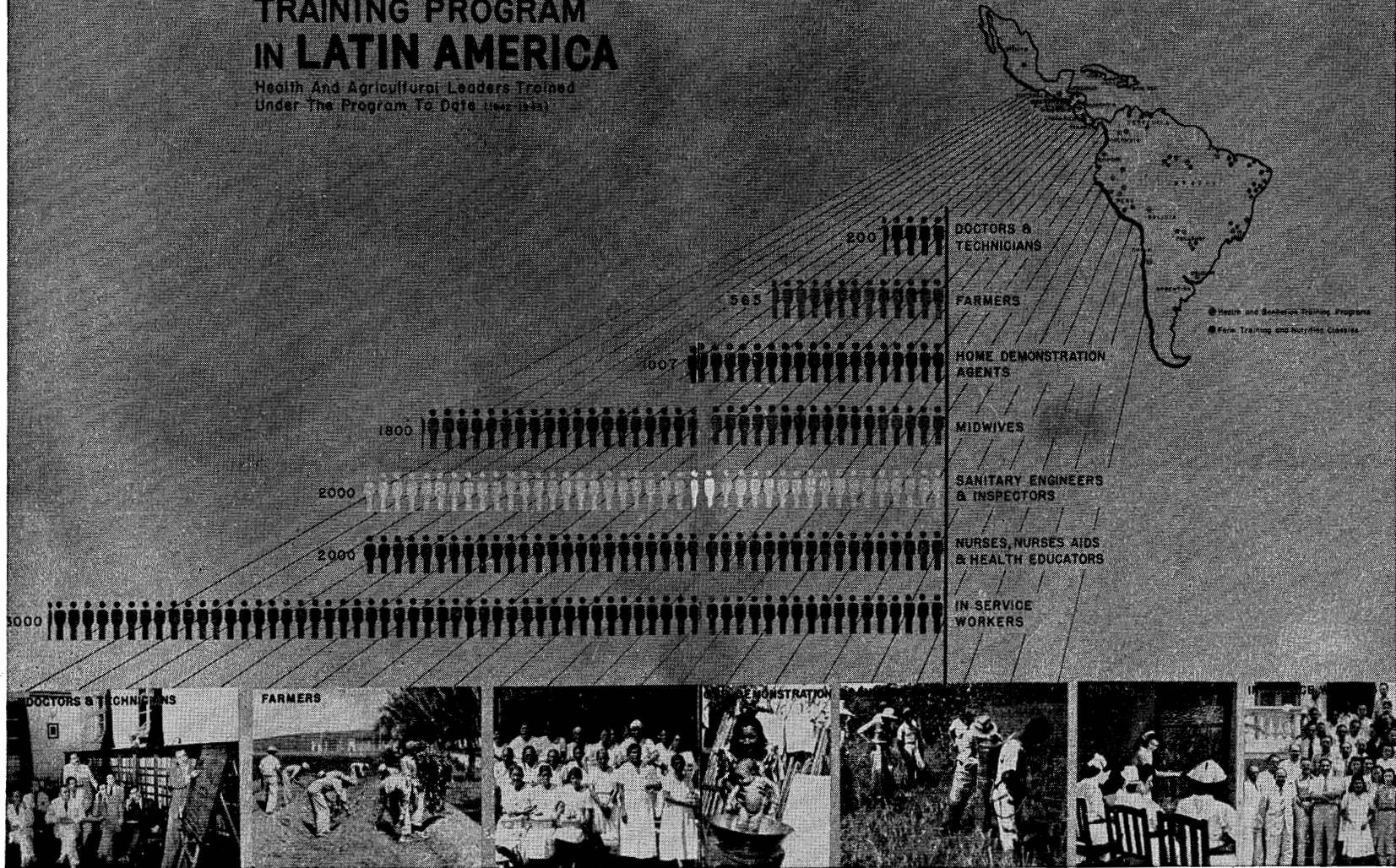
The first awards in the trade scholarship program were made somewhat slowly since time was required to set up selection committees in the other American republics and because it was desired to give special care and attention to making the first awards. At the end of June, 1942, twenty awards had been made, covering 13 countries, and by the middle of 1943, 83 awards had been made and the remainder of a total of 120 authorized were under commitment. Seventy-one young men were already in the United States at that time — in 28 states and the District of Columbia — in various stages of training. The funds advanced for training purposes had been stretched to cover a full year's administration, and the Trade Scholarship Program had given aid in several projects beyond those first planned. Some of these projects had been granted in connection with the aviation program of CIAA, while another had been a special course in detection of clandestine radio

<sup>16</sup> Nearly 400 firms had been questioned through the National Foreign Trade Council as to what their interest might be in accepting trainees under the trade scholarship plan. Answers from 92 percent indicated that at least 300 trainees could be placed.



# TRAINING PROGRAM IN LATIN AMERICA

Health And Agricultural Leaders Trained  
Under The Program To Date (1942-1943)



transmission. The latter had been administered for the Department of State, cooperating with FCC, the War and Navy Departments, and CIAA in developing a defense against enemy agents operating in the Caribbean area who were delaying the movements of American shipping by sending information to Axis submarines.

In the latter part of 1942 it was decided to re-integrate the Training Administration with CIAA, despite a number of problems which would be entailed.<sup>17</sup> On October 26 Mr. Rockefeller wrote to Mr. Jesse Jones suggesting that the unit be transferred back to CIAA, with the date originally planned for November 1st. Delays occurred, however, and it was not until January 1, 1943, that the personnel and activities of the project were transferred back to CIAA, with the name of the unit now changed to the "Inter-American Training Administration." Six months later the functions, funds and personnel of the Inter-American Training Administration were transferred to the Inter-American Development Commission.<sup>18</sup> This move was made necessary by the fact that private industrial organizations and other government agencies were using the services of the Training Administration to an increasing extent and were offering to defray some of the expenses involved; such funds could only be accepted if the Training Administration were a non-governmental organization. By means of grants-in-aid CIAA was to contribute its share of the administrative expenses in accordance with an itemized budget submitted.

During the remainder of 1943, demands on the Training Administration continued to increase. For example, 16 private concerns requested the bringing of some 65 trainees from the other American republics to the United States for training. Persons connected with the plan were beginning to consider how best it could be continued in the post-war period on a self-sufficient basis, and a survey was launched in which half a dozen government agencies were consulted as well as major organizations representing both labor and industry. At first it was thought possible to work out a long-range operating plan by the establishment of a revolving fund by CIAA, but instead it

<sup>17</sup> On October 19, 1942, Mr. Hanson wrote to Gerald G. Smith, pointing out that arrangements would have to be made in regard to payment of trainees, insurance, refunds, etcetera.

<sup>18</sup> The transfer was effective June 22, 1943. Funds and projects were transferred with the division.

was decided to incorporate the project on a private basis. Therefore, on June 19, 1944, it became the "International Training Administration, Inc.," a private, nonprofit institution to serve government and industry on a world wide basis. It continued to handle some projects for CIAA throughout the existence of the latter agency.

Meanwhile, the Institute of Inter-American Affairs had been considering the possibility of handling directly all service operations which were currently being executed by the Inter-American Training Administration. A study was made in the agency and recommendation in May 1944 provided that the Institute take over the handling of its trainees while IATA continued with the program which it had developed.<sup>19</sup> The Inter-American Development Commission then met on June 15, 1944, and adopted a resolution which provided in effect for termination not later than June 30, 1944, of the relationship of the Institute of Inter-American Affairs and the Inter-American Training Administration.

The Institute of Inter-American Affairs then established a training division which, as a single unit, took over the administration of the two training programs of the Institute (Health and Sanitation and Food Supplies Divisions).<sup>20</sup> Creation of this unified division within the Institute was carried out in order to increase efficiency of operation, avoid duplication, and to prevent divergence in policies in regard to the handling of trainees. The Training Division so established continued to function as a part of the Institute during the remainder of the existence of CIAA, and was transferred to jurisdiction of the State Department as part of that corporation, to operate as long as this program was in effect.

The Training Division also took over service operations for trainees brought to the United States under the auspices of the Department of Transportation and Economic Development.<sup>21</sup> As indication of its activities it might be noted that during the calendar year of 1945 a total of 353 Health and Sanitation trainees were brought in from 18 other republics, while the Food Supply Division brought in 64.

<sup>19</sup> IADA had been providing facilities for the Basic Economy Program since the latter part of 1942.

<sup>20</sup> Memorandum from Charles E. Shepard to John D. Yeagley, June 16, 1944.

<sup>21</sup> The number of trainees handled, together with the type of study planned and other pertinent data is available in annual reports of the Training Division, Institute of Inter-American Affairs.



## **Part II. ORGANIZATION AND ADMINISTRATION**

---

## ORGANIZATIONAL DEVELOPMENT

The organizational growth of CIAA is somewhat difficult to trace in exact terms, for several reasons. In the first place, Mr. Rockefeller was not interested in issuing elaborate and detailed administrative orders whenever some change was made in the organization. There had been included in the Executive Order which changed the name of the agency to "Office of the Coordinator of Inter-American Affairs" in the summer of 1941 a provision which instructed the Coordinator to secure the approval of the President for the establishment of the principal subdivisions of the Office, but in practice changes beyond those of the first month of operation under the new arrangement were not formally so reported. A second factor which makes it difficult to give a true picture of agency organization at any one time is the fact that charts and descriptions which were drawn up for one purpose or another at times show an organizational form which it was hoped to attain rather than one which actually existed. Likewise on occasion the organizational set-up of the agency changed with enough rapidity so that by the time a chart was issued, it was out of date; this "fluidity," in which the agency took some pride as reflecting ability to meet rapidly changing needs in inter-American affairs, meant that reshuffling of departments and divisions occurred with ease as authority was expanded, decreased, or received new interpretation. The organizational form of CIAA likewise was easily affected by matters of personality, since in administration of a newly-created agency, particularly under war conditions, personalities were of greater significance than the few regulations concerning organizational form which existed.

In spite of the rather frequent changes in organization which took place, notably during the first 2 years, the main steps in building the structure of the Office can be traced through the examination of certain sources. For one thing, the

budget estimates presented yearly to Congress were broken down by department and to some extent by division, although it must be remembered at all times that such a breakdown tended to represent proposals for activities and organization for which it was hoped authority would be granted, rather than those which actually existed. A second source of information is found in the descriptions of Office organization written for *United States Government Manuals* for the years concerned, for *Congressional Directories*, and for yearbooks such as the *International Yearbook* and the *Encyclopaedia Britannica Book of the Year*. Organizational charts, some of which indicated the functions of the several parts of CIAA, were likewise issued, particularly during the first 2 years.<sup>1</sup> Information on organization is also supplied in occasional staff memoranda. Probably because it became recognized that charts were not exact, the idea of presenting organizational form in this manner was given up after the summer of 1942, with only one formal chart made after that time.<sup>2</sup> Those charts which were made do indicate trends in organization and are useful in tracing shifts during the formative first 2 years of the agency's existence, however, and on them the various smaller units in operation also are usually shown.

The terminology used in charts and elsewhere by the agency (particularly in the first 2 years) was apt to be inconsistent, with the same unit at one time called a "section" and at other times a "division," for example. Eventually the hierarchy of the agency corresponded in general to that of other government agencies, with the larger units called "departments;" these were subdivided into

<sup>1</sup> Charts, like budget estimates, also tend occasionally to show units which it was planned to establish, as well as those actually in existence, and are also artificial at times in regard to flow of authority.

<sup>2</sup> Informal mimeographed charts of the organization occasionally were distributed to employees in connection with training discussions, but these were based on earlier charts with necessary modifications, and supplemented by discussion.

"divisions," which were themselves composed of "sections." The Coordinator, however, was not concerned with classifying these various units on the basis of personnel involved, as the Bureau of the Budget tended to desire,<sup>3</sup> but more upon what he considered the importance of the work which was being done by the particular unit. The several departments and divisions of the Office thus cannot always be compared on a basis of personnel or expenditures connected with its program. Likewise, the allocation of units within the organizational structure cannot always be justified from a basis of logic, for in many cases personality matters prevented what in theory would have made for a more perfect organizational form.<sup>4</sup>

Some generalizations may be made about the men who made up the "upper bracket" leaders of CIAA during its existence. Particularly in the earlier years, as was natural, the larger part of the associates whom Mr. Rockefeller drew about him to carry out his program were men with whom he had had close personal or business contacts. Some were Dartmouth College graduates, such as Carl B. Spaeth, first assistant Coordinator, John S. Dickey,<sup>5</sup> John M. Clark, William Brister, and Sylvester Weaver. Mr. Spaeth, John E. Lockwood, Kelso Peck, and E. H. Robbins, as well as Mr. Wallace K. Harrison, had aided Mr. Rockefeller with his Venezuelan development project before he became Coordinator, and Mr. Harrison, a prominent New York architect, had also assisted in the construction of Rockefeller Center. Mr. Joseph Rovensky, vice president of the Chase National Bank, had long been an associate of the Coordinator and had been one of those who had aided him in 1940 in drawing up his memorandum on the need for an inter-American program. John Hay Whitney, well-known in the motion picture world, had been associated with Mr. Rockefeller in the Museum of Modern Art of New York City. Arthur Jones, who aided in developing the administrative structure of the agency in its early days,

<sup>3</sup> In a meeting between CIAA and Budget Bureau officials on October 8, 1943, while discussing the newly-proposed Department of U. S. Activities, the latter noted that in their point of view there was an implication that personnel should correlate with the amount of the appropriation involved, and that in this case not enough funds nor employees were concerned to justify creation of a Department. The department concerned was justified on a question of responsibility and the amount of time that the department head would give to operations under his direction.

<sup>4</sup> *Ibid.* Mr. Rockefeller at this time frankly noted that "personalities come into the question (of organization) as much as structure does . . ." The shifting of some units, such as the Regional Division, from one department to another (which occurred several times) is partly explainable on this basis.

<sup>5</sup> The latter was originally a classmate of Mr. Spaeth's.

had been connected with the Rockefeller philanthropic enterprises.

The Coordinator also drew men into his organization who were recognized leaders in industrial and professional fields. To mention a few persons, the first Director of the Communications Division was James W. Young, the former head of the J. W. Thompson Advertising Company of New York, and Don Francisco, who succeeded him in April 1941, had been President of Lord & Thomas, also an advertising agency. Karl August Bickel, who was associated with the communications program in the early months, had served as President of United Press from 1923 to 1935 and was Chairman of the Board of Scripps-Howard Radio Company. Merlin H. Aylesworth, who became head of the Radio Section of the Communications Division under Mr. Francisco, had organized the National Broadcasting Company and had been its President until 1936. Francis A. Jamieson, who was later to be an Assistant Coordinator and who headed the Press Division during almost its entire existence, had won a Pulitzer prize for excellence in journalism. Harry W. Frantz became Director of the Press Division in August 1941, taking leave of absence for this task from United Press with which he had been Washington Foreign Editor for a number of years. Mr. Berent Friele, who succeeded Will C. Clayton as Director of the Commercial Development Section and who later became a leader in operations of the agency in Brazil, had been President of the American Coffee Corporation and of the American-Brazilian Association. Dr. Robert G. Caldwell, the first head of the Cultural Relations Division, came to the agency from the Massachusetts Institute of Technology where he had been Dean of Humanities. Both Major General George C. Dunham and Major General Julian L. Schley were drawn into the agency from the Armed Forces, and Colonel Harold B. Gotaas was a recognized authority in the field of sanitary engineering. Some persons were drawn into the agency from other posts in government service. Among these might be mentioned Will C. Clayton, James LeCron, Earl Bressman, Andrew V. Corry, and John C. McClintock. James W. Young, mentioned earlier, came into the Office from the Bureau of Foreign and Domestic Commerce.

The first move in setting up a formal organization for the agency came with the first official meeting of an "Executive Committee" on August 30, 1940. During the 2 weeks between creation of

the Office on August 16 and the date of this first meeting some steps had been taken toward the working out of ideas for preliminary organization, and particularly for getting the infant agency located. Space was assigned it in the Department of State building, reportedly consisting of the rather ornate three-room suite of former Secretary of War Baker.<sup>7</sup> By August 30 some nine persons were on the pay roll, including some clerical help earlier assigned from the White House staff. The membership of the Committee which met on this date comprised most of the agency's staff; in attendance were Nelson Rockefeller as Chairman, Will Clayton, Joseph Rovensky, Carl Spaeth, and Andrew V. Corry, a mining engineer with field experience in Argentina and Brazil, who had been brought into the organization from the Bureau of Mines, particularly because of his knowledge of strategic minerals.<sup>8</sup>

The Executive Committee as its first business turned to a formal organization of its few members in line with the work which it planned to carry out. A Raw Materials and Commodities Section was established with Mr. Clayton accepting its leadership for the time being; in accepting he reported that it was possible that he would soon be called to a post in the Export-Import Bank. In connection with the work of this Section, the Executive Committee emphasized the importance of gaining information on those raw materials from the other American republics which were vital to national defense, and agreed that the agency should make every effort to encourage defense bodies to purchase as much as possible of these commodities from the other American republics. The second major subdivision formed was a unit to deal with economic development and finance,<sup>9</sup> with it emphasized that this unit and that dealing with raw materials and commodities would work together closely. Ideas mentioned at this time in connection with the work of the Economic Development and Finance Section were the financing of a proposed Brazilian steel mill, a survey of economic developmental needs in Argentina, creation of a new airline, and the possibility of attracting United States capital to the other American republics by some form of insurance against loss.

<sup>7</sup> According to witnesses, the great enthusiasm of the men making up the Coordinator's Office, coupled with a lack of formality and a failure to observe customary Government procedures, proved to be a slightly disturbing influence in the rather sedate atmosphere of the State Department.

<sup>8</sup> Mr. Gordon Winks also seems to have been present in the capacity of secretary.

<sup>9</sup> Mr. Rovensky was named head of this section.

The Executive Committee also discussed the functions of advisory committees for projected divisions of the agency which were to deal with cultural relations and with communications. It was decided that members of these advisory committees would be drawn from among leading figures in the nation and regular meetings would be held not oftener than once or twice a month. Mr. Rockefeller also noted that it would be necessary to prepare two weekly reports, one for the Inter-Departmental Committee on Inter-American Affairs, another for the Advisory Committee of the Council of National Defense.<sup>10</sup> He also felt that it would be important to assign some one individual in the agency to gather all available information on subversive activities in the other American republics.

Consideration was also given at this first meeting to plans already underway for the dispatch of a mission to the other American republics to look into firms handling American business in Latin America with regard to their possible connection with Axis activities.<sup>11</sup>

Progress was made during September in the establishment of the major subdivisions of the agency and the selection of individuals to head them. Dr. Robert Caldwell, Dean of the Humanities at Massachusetts Institute of Technology, who had served as United States envoy to Portugal and to Bolivia, was selected to head the Cultural Division of the agency. The Advisory Committee of the Education Section of this division was to be composed of Dr. Henry Moe of the Guggenheim Foundation, Dr. David H. Stevens of the Rockefeller Foundation, and Dr. Frederick Keppel of the Carnegie Foundation, with other members to be named later. To head the Communications Division the agency secured James W. Young from the Bureau of Foreign and Domestic Commerce of the Department of Commerce.<sup>12</sup> John Hay Whitney<sup>13</sup>

<sup>10</sup> These reports were prepared for several months.

<sup>11</sup> See chapter 2 for the work of this Committee.

<sup>12</sup> Press release dated October 9, 1940, stated that he had been a former official of J. Walter Thompson Co. in New York City, an assistant in the raw materials division of the National Defense Advisory Commission, and Director of the Bureau of Foreign and Domestic Commerce in the Department of Commerce.

<sup>13</sup> John Hay Whitney was a motion picture executive, chairman of the board of the Freeport Sulphur Company, and vice-president of the Museum of Modern Art, New York City. Mr. Whitney was the son of Payne and Helen Hay Whitney, the grandson of John Hay and of William C. Whitney, Secretary of the Navy under President Cleveland and father of the modern United States Navy. He was chief owner in many commercial corporations, president of the Film Library of the Museum of Modern Art, with its collection of moving pictures showing the growth of that art from 1895 to 1940, and had furnished the money to develop Technicolor, which made the industry more profitable. He had backed "Gone with the Wind," which other producers were afraid to touch, and was said to have cleared \$2,500,000 from it.

was selected as Director of the Motion Picture unit of this Department. During this month also a need for careful attention to publicity on the activities of the Office had become evident and the Coordinator suggested that a man be appointed and entrusted with this particular task.<sup>14</sup> Various other appointments were made in the next few months as the agency became better organized and as the needs of its program increased.

The first printed chart outlining the organization of the Office was prepared under date of December 4. While some units indicated on this chart were undoubtedly still in the tentative stage, it is of value in showing the plans of the agency's leaders in regard to functions and their ideas as to the organizational set-up under which it would attempt to carry these out. According to this outline, Mr. Rockefeller as Coordinator was aided by Carl B. Spaeth as Executive Assistant and assisted in the determination of policy by the Executive Committee now made up of some ten men, all of whom headed sections within the agency with the exception of Will C. Clayton.<sup>15</sup> Four major subdivisions of the Office were listed:<sup>16</sup> a Cultural Relations Section headed by Dr. Caldwell, a Communications Section headed by J. W. Young; a Trade and Finance Section under J. C. Rovensky; and a Commercial Development Section under the former president of the American Coffee Corporation, Berent Friele, who had joined the agency by December 2, 1940. In most of the literature of the agency, however, the economic activities of this period are considered to be administered as a single unit. Five subdivisions of the Cultural Relations Section dealt with projects concerned with Art, Music, Literature, Publications, and Education. The Communications Section also had five subdivisions: Radio, Motion Pictures, News, Travel, and Sports. The Commercial Development Section had three units: Raw Materials and Commodities, Transportation, and Special Projects. The Trade and Finance Sec-

tion also had three subdivisions: Finance, United States Industries and Commercial Liaison, and Special Projects. The chart also showed administrative staff units<sup>17</sup> dealing with Legal Problems, Economic and Statistical Reports, Public Relations, Information, and Liaison with other departments and agencies. The Cultural Relations Section was still, in theory, guided by advisory committees, with a Press Release of November 14, 1940, listing these as a Scholarship Committee, a Literary Committee, a Publications Committee, a Music Committee, and an Art Committee. A Policy Committee consisting of William B. Benton, then Vice President of the University of Chicago; Henry R. Luce, Chairman of *Time, Inc.*; and James W. Young also aided this division.

A second chart, printed less than a month later on December 27, was practically identical with that of December 4, with changes occurring only in connection with the economic and finance sections. In the Commercial Development Section the duties of the Special Projects unit were now more specifically defined as dealing with industrial and commercial development, while in the Trade and Finance Section one unit was now called "Government Finance" and was expected to deal particularly with problems connected with the Export-Import Bank and the proposed Inter-American Bank, while a second unit was designed to work on matters concerned with private finance and trade. This section retained its so-called Special Projects unit.

Additional charts were prepared during the first three months of 1941, all of which show the organizational set-up in about the same way.<sup>18</sup> In these charts a group of special consultants consisting of Mr. Benton, Mr. Luce, Anna M. Rosenberg, and Beardsley Ruml had now been made an "Advisory Committee on Policy"<sup>19</sup> and members had been added to represent labor and the Catholic Church. The term "Assistant Coordin-

<sup>17</sup> These units were not designated either as "Sections" or "Divisions."

<sup>18</sup> At least three printed charts were prepared during the first half of 1941, although these were not dated. From internal evidence, the particular chart used for the above description was prepared before the first week in April, 1941, since a Press Release of April 12 noted the resignation of Mr. James W. Young as head of the Communications Division, while the chart still shows him as Director. The *United States Government Manual* for March, 1941, lists divisions (Sections) of the Office as four: Cultural Relations, Communications, Commercial Development, and Trade and Financial. Mr. Carl B. Spaeth is listed as Assistant Coordinator.

<sup>19</sup> A letter of Carl B. Spaeth to John S. Dickey, February 10, 1941, noted that "we have enlisted the assistance of several well-qualified persons to advise us on the matter of policy . . . It is our thought that we should refer certain basic policy questions to this group for advice both with reference to short-term and long-term planning," and asked him to serve as Secretary.

<sup>14</sup> Minutes of Executive Committee, September 3, 1940. Mr. John M. Clark received this post. Mr. Clark, a native of Evanston, Illinois, received his A. B. degree from Dartmouth College and studied inter-American relations under the Neiman Newspaper Fellowship during the term 1938 to 1939. He was an editorial writer for the *Washington Post* from 1934 to 1938, Assistant to the Director of the International Labor Office in European and Pan American countries during 1939 and 1940, and was with the Venezuelan Development Co. during July and August of 1940 before he was called to work with CIAA. He was later to head several subdivisions of the Office at one time or another, and to be a valuable assistant to the Coordinator on various special tasks until he joined the armed forces.

<sup>15</sup> Mr. Clayton had recently transferred to the Reconstruction Finance Corporation, but was still interested in the work of the agency.

<sup>16</sup> The "Sections" here more properly should have been called "Divisions," with the former term reserved for the smaller units.

**COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS  
BETWEEN THE AMERICAN REPUBLICS**

**COORDINATOR**  
Nelson A. Rockefeller

**EXECUTIVE ASSISTANT**  
C. B. Spaeth

**INTER-AMERICAN DEVELOPMENT COMMISSION**  
Nelson A. Rockefeller - Chairman  
J. McClintock - Executive Secretary  
J. Rafael Oreomuno  
Renato de Azevedo  
G. W. Magalhaes  
Carlos Campbell del Campo

**INTER-DEPARTMENTAL COMMITTEE  
ON INTER-AMERICAN AFFAIRS**  
Coordinator - Chairman  
Henry F. Grady - Ass't Sec'y of State  
Warren Lee Pierson - Pres. of Export-Import Bank  
Dr. Harry White - Director - Monetary Research - Treasury  
Leslie Wheeler - Director - Office of Foreign Agricultural Relations  
Grosvenor Jones - Ass't Director - Bureau of Foreign & Dom. Comm.  
W. A. Harriman - Liaison Officer of National Defense

**EXECUTIVE COMMITTEE**  
Nelson A. Rockefeller - Chairman  
Robert G. Caldwell  
Will Clayton  
John Dickey  
Berent Friele  
Arthur Jones  
John McClintock  
Joseph C. Rovensky  
Carl B. Spaeth  
James W. Young

**LIAISON DEPARTMENTS  
AND AGENCIES**  
John Dickey

**SPECIAL CONSULTANTS**  
W. Benton  
H. R. Luce  
Anna M. Rosenberg  
B. Ruml

**PROJECTS  
EXECUTIVE**  
A. Jones

**INFORMATION**  
Frank Jamieson  
J. McL. Clark

**ECONOMIC AND  
STATISTICAL**  
A. V. Corry  
Simon G. Hanson

**LEGAL  
ADVISERS**  
C. B. Spaeth  
G. W. Winks

**CULTURAL RELATIONS  
SECTION**

R. G. Caldwell

<b>ART</b> Chairman John E. Abbott	<b>MUSIC</b> Chairman C. S. Smith	<b>LITERATURE</b> Chairmen A. MacLeish H. M. Lydenberg	<b>PUBLICATIONS</b> Chairman Monroe Wheeler	<b>EDUCATION</b> Chairman H. A. Moe
--	---	---	---	---

**COMMUNICATIONS  
SECTION**

J. W. Young

<b>RADIO</b> Chairman Don Francisco	<b>MOVIES</b> Chairman J. H. Whitney	<b>NEWS</b> Chairman K. Bickel	<b>TRAVEL</b> Chairman *	<b>SPORTS</b> Chairman *
---	--	--------------------------------------	--------------------------------	--------------------------------

**COMMERCIAL DEVELOPMENT  
SECTION**

Berent Friele

<b>RAW MAT'L'S AND COMMODITIES</b> J. McClintock	<b>TRANSPORT'N MARITIME AVIATION HIGHWAYS</b> W. B. Harding	<b>SPECIAL PROJECTS</b> Paul Nitze J. McL. Clark
---	--	--

**TRADE AND FINANCIAL  
SECTION**

J. C. Rovensky

<b>FINANCE EXPORT-IMPORT BANK</b> W. Clayton	<b>U. S. INDUST'L &amp; COMMERCIAL LIAISON</b> *	<b>SPECIAL PROJECTS</b> Paul Nitze John McClintock
---	---	--

\*Appointment to be announced



ator" was now used for the first time but with the office of Executive Assistant still retained; some descriptions of organization of about the same date state that the Assistant Coordinator (Mr. Spaeth) was to aid the Coordinator in determination of policy, while the Executive Assistant was primarily to direct operations. For the moment the major operating divisions numbered five instead of four, for the Special Projects unit of the former Finance Section, concerned with defense against anti-American activities, had now been given status as a Division.<sup>20</sup> Some slight change was made in the titles of subdivisions: the former Trade and Finance Section was now called the Finance Division, and in the Commercial Division, the Raw Materials unit was now called Natural Resources. A Special Projects section had also been added to the Communications Division (this reflected steps taken to carry out public opinion surveys in the other American republics), and the Cultural Relations Division had likewise added another section dealing with fellowship interchange. Two additional administrative or staff units also were shown, one a Planning Division<sup>21</sup> and the other dealing with Business Management. Another chart, put out very shortly afterward,<sup>22</sup> for the first time recognized the existence of an operating division in New York by indicating that certain officials were assigned to that particular location.<sup>23</sup> Other organizational changes shown were not numerous and probably reflected no real change in the actual functioning of the agency itself. On this chart personnel assignments in the several divisions and sections were shown in greater detail than in earlier charts and likewise indicated those individuals assigned to the New York office, with the more important units functioning there being the Radio, Motion Pictures, and News Sections of the Communications Division. The Press Section showed three subdivisions at this time: Women's Organizations, Articles, and Organizations.

During the spring of 1941 Mr. Rockefeller and

<sup>20</sup> In these charts the major subdivisions have been given their more proper title of "Division," with no specific designation used for smaller units.

<sup>21</sup> The term "division" was used where probably these units should have been called "sections."

<sup>22</sup> Also undated, and probably issued about the first of April.

<sup>23</sup> In a meeting of the Executive Committee on Oct. 25, 1940, Mr. James W. Young, head of the Communications Division, indicated that he felt he could operate more efficiently in New York, and on October 29, the Executive Committee was informed that the Communications Division would have a branch in New York and that Don Francisco, President of the Lord & Thomas Advertising Agency, would join CIAA as Assistant to Mr. Young.

his assistants decided to push for a change in the name of the agency. The reasons for this move are reasonably clear. In the first place, the name assigned to the agency in 1940 had proved to be exceedingly cumbersome and a simplification would result in the saving of time and in a better identification of the work of the Office. In addition to the desire for a change of title, a transfer to within the Office for Emergency Management might have other advantages; all other subordinate agencies established by order of the Council of National Defense had been abolished or transferred to OEM by this time, and the functions of that body itself had been expanded by administrative order promulgated by President Roosevelt on January 7, 1941. During late May and June the new order covering the change of name was drafted, and on July 30, 1941, it was issued as Executive Order 8840.<sup>24</sup>

According to the provisions of the order establishing CIAA, the Coordinator was required to secure the approval of the President for the establishment of the principal subdivisions of the Office and the appointments of the heads thereof. In accordance with this provision, he submitted to President Roosevelt on August 27, 1941, a chart of the agency as of that date for formal approval.<sup>25</sup> At the same time Mr. Rockefeller sent to the President a letter indicating his appointment of individuals to head major divisions of the Office.<sup>26</sup> On this official chart of CIAA organization, the Coordinator was aided by one Assistant Coordinator, with a "General Counsel and Secretary" shown on the same administrative level.<sup>27</sup> The Executive Director who had been listed on charts earlier in the year was also retained; attached to his office was a Service Station and a Projects Management Section. At this time the operating divisions indicated were four in number. The Communications Division remained practically unchanged in its set-up, with five subdivisions handling Press, Radio, Motion Pictures, Travel, and Sports; the

<sup>24</sup> See chapter 16.

<sup>25</sup> Actually the chart was sent to the President somewhat later, for a letter from J. E. Lockwood to Harold E. Smith, Budget Director, dated September 9, 1941, stated that it was understood that the Bureau of the Budget would submit the chart to the President. The chart was endorsed by the President on September 15, 1941.

<sup>26</sup> This list included an Assistant Coordinator, Executive Director, General Counsel and Secretary, and named heads for the following divisions: Economic and Statistical, Information, Health and Security, Communications, Cultural Relations, Commercial and Financial, and Special. The last-named unit actually had been transferred to the State Department but Mr. Dickey was on the CIAA payroll.

<sup>27</sup> A memorandum of Mr. Lockwood's to the Coordinator, June 13, 1941, on the duties of the "Secretary" indicated that the office had been created the day before, with duties as normally assigned to such a unit.

Special Projects section, however, no longer was in existence. The Cultural Relations Division also showed no change except in regard to personnel. The former Commercial Development Division and Financial Division had now been combined into a single unit (which retained all sections which had been operating). A new Health and Sanitation Division had been added, while the Special Division which had dealt with the Proclaimed List no longer was shown since it had recently been transferred to the Department of State.<sup>28</sup> The Office still nominally retained its Advisory Committee on Policy. The chart also showed three men listed as Special Assistants.<sup>29</sup> As administrative units an Information Division, a Legal Division, and an Economic and Statistical Division were still listed. A new official appears on this level called the "Consejero" or Advisor; this position was held by Dr. Enrique S. de Lozada who had joined the Coordinator's Office from the staff of Williams College and was to give expert advice from his personal knowledge of the other American republics.<sup>30</sup> The chart of August 27, 1941, showed the agency in the usual relationship to the Inter-American Development Commission and to the Inter-Departmental Committee on Inter-American Affairs as indicated in all earlier charts; the latter Committee, however, had practically ceased to function by this time.

No chart showing organizational development in the fall of 1941 has been found, but no great change was to occur until after the coming of the war.<sup>31</sup> By October 4, Mr. Wallace K. Harrison had been made Assistant Coordinator and was in charge of the Cultural Relations Division.<sup>32</sup> An Agricultural Division had also been created and the Economic and Statistical Division shown in the August 27 chart as an administrative unit had been placed under the Commercial and Financial Division as a section on the operating level. The agency had likewise created a field organization, particularly for information services, by the setting up of coordination committees in some seven South American republics.<sup>33</sup>

<sup>28</sup> Wallace K. Harrison was Chairman of Health and Sanitation Division and also Director of the Cultural Relations Division. John S. Dickey, Director of the Special Division was listed as a Special Assistant to the Coordinator.

<sup>29</sup> These, in addition to Mr. Dickey, were Francis A. Jamieson, who was also listed as Director of the Information Division and head of the Press Section of the Communications Division, and Edward H. Robbins.

<sup>30</sup> See chapter 18 for discussion of administrative leadership in the agency.

<sup>31</sup> The divisions listed in the *United States Government Manual* of September 1941, correspond to those of the chart of August 27.

<sup>32</sup> As noted in a letter of John E. Lockwood to Luther E. Smith, October 4, 1941.

<sup>33</sup> See chapter 20 for details.

The most important organizational development in the Washington Office during this period came in regard to the Economic and Financial Division of the Office. This was the attempt to correlate efforts in this area with the operations of the Board of Economic Warfare, which had been established during the summer.<sup>34</sup> The plan as worked out and made official in late November involved use of the greater part of the personnel of the Economic and Financial Division of CIAA as the working organization of an American Hemisphere Division in the Board of Economic Warfare. This Division as projected was to serve both CIAA and BEW, and Mr. Carl B. Spaeth, Assistant Coordinator of the Office, became its head.

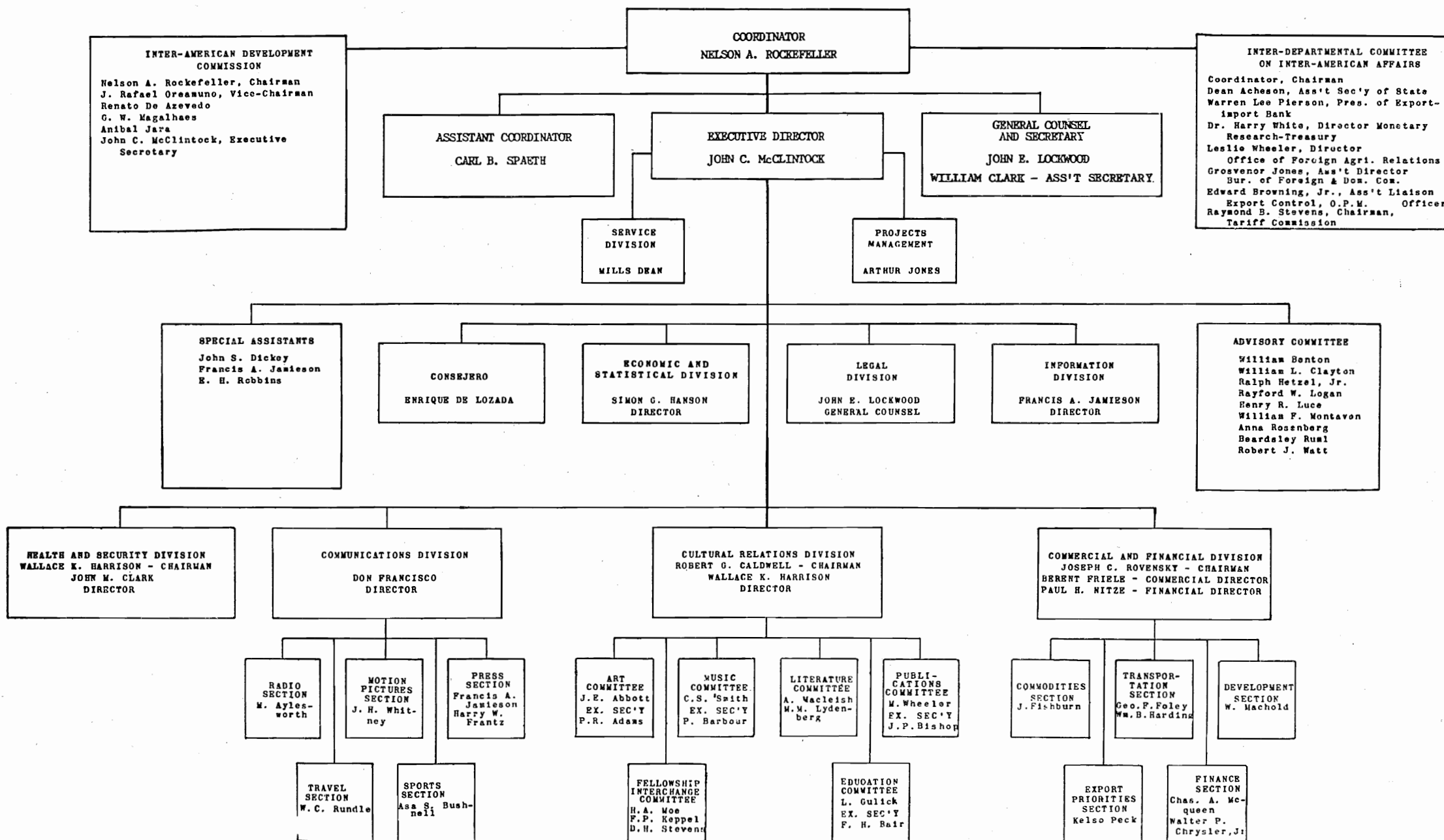
The increase in tension in the war situation during the latter months of 1941 also brought about a realignment of terms used in the description of agency functions, although this involved no real change in the organization itself. The operations of the Office now began to be described as divided into two categories: "economic warfare" and "psychological warfare." Quite obviously the divisions operating under Mr. Rovensky and Mr. Spaeth were in the former field, while Communications and Cultural Relations operations fell into what was to be called for several months psychological warfare. This classification of operations is reflected in one or two organization charts and was used frequently in the literature of the agency for almost a year.<sup>35</sup>

Summarizing the organizational growth of CIAA in the period before Pearl Harbor, agency development reflected a division of effort into three major areas: one dealing with efforts in the field of cultural relations and education, another concerned with operations in connection with commercial, economic, and financial affairs, and a third operating in the field of information or communications. An administrative staff with certain subdivisions had also been built up including units dealing with legal matters, budgetary and fiscal affairs, and what might be called administrative service operations. The Coordinator by December 1941 was assisted by an Assistant Coordinator and an Executive Director and was aided by certain special consultants and advisers,

<sup>34</sup> This episode is discussed in chapter 17.

<sup>35</sup> A paraphrase of a talk by Wallace K. Harrison to employees on November 13, 1941, in speaking of the Cultural Division, noted it as the "morale and propaganda area" and that there were two branches under morale, cultural and communications. He also noted that the work was limited to the hemisphere, with the Coordinator of Information doing a similar work in other foreign areas and the Office of Facts and Figures handling it for the United States.

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE FOR EMERGENCY MANAGEMENT  
COORDINATOR OF INTER-AMERICAN AFFAIRS



most of whom were members of the agency's staff. The formal Advisory Committee on Policy had disappeared. Within each of the major divisions concerned various sections had developed, their duties usually evident from their titles. A New York branch of the Office, working largely in the field of communications, was in operation. Within the Communications Division, although this is not shown in charts, the Press Section amalgamated with what was shown on the charts at the administrative level as the Information Division, had really assumed in practice the status of an independent division, and was to be listed so within a short time; the Motion Picture Division also was functioning largely independently. Two minor operating divisions had also been created, one dealing with public health matters and the other with agriculture.<sup>36</sup> The agency had also established field units called Coordination Committees which were concerned at this time solely with information matters, and in an attempt to enlarge the activities of the Economic and Financial Division into actual operations, a merger with the Board of Economic Warfare had just been effected. In personnel, the agency had grown from nine persons at the start to a total of 1,413 in June 1943. It had operated in Washington first from a suite in the State Department Building with office space for some activities later granted in the North Wing of the Department of Interior Building; finally the major part of its operations centered in the Department of Commerce Building, to remain there until August 1945 when the agency moved to the District Library Building at 499 Pennsylvania Ave.<sup>37</sup>

The formal entrance of the United States into World War II on December 8, 1941, had no immediate effect upon the organization of the Office, although almost at once an examination was made of the activities of the Office with the idea of eliminating those not directly connected with the war. This naturally was to eventually curtail some parts of the agency program, notably among projects of the Division of Cultural Relations.<sup>38</sup> A centralization of administration also was carried out by shifting determination of the psychological program of the Office from New York to Washing-

ton. The Communications Division, like the Cultural Division, was abolished as such, and the Washington office was made the headquarters of Mr. Don Francisco, Mr. John H. Whitney, and Mr. Francis A. Jamieson, heads of radio, motion pictures, and press operations respectively. The New York office continued to be largely the operating center for these activities, at this time.<sup>39</sup>

The first 6 months of 1942 were very important in the history of the Office both in regard to operations and organizational development. The merger with BEW, of which much was hoped when it had been started, was to break up and the agency was to lose the greater part of its operations in the economic and financial fields. The first of the several subsidiary corporations which CIAA was to use likewise was created in this period. Although not reflected organizationally, the threat of losing the entire CIAA information program to the new Office of War Information, which took place in this period, was extremely serious; if this had not been counteracted, liquidation of the Office would have been almost a certainty. Insofar as organizational development goes, this period also marks the establishment of the structure of the Office in a form which was to be expanded but not greatly altered during the war years.

Only one chart was issued by CIAA which reflected Office organization during the time when the merger of BEW was in effect.<sup>40</sup> This chart (the first to include statements on the function of the various units shown) showed the major operations of CIAA being carried out through three major subdivisions. One of these, entitled "Economic Warfare,"<sup>41</sup> and really applying to the American Hemisphere Division of BEW, listed four smaller units: Trade and Allocations Division, Intelligence and Information Division, Commercial and Financial Division, and Economic Analysis Division. A second major area of the agency program was called "Operations in the American Republics." This unit was headed by Mr. Joseph Rovensky with the title of Assistant Coordinator. It had three subdivisions: the Health and Sanitation Division (which had been set up preliminary to the formation of a subsidiary corporation a few months later); the Reports Division, which was concerned with gathering information for use in

<sup>36</sup> The Agriculture Division was to be abolished later, with duties assumed by the Food Supply Division.

<sup>37</sup> Part of the fiscal staff of the Office for some time occupied space in the Electrical Workers Building on Fifteenth Street, and the education and transportation units were housed in the Walker Building on Fifteenth St.

<sup>38</sup> The name of this division was changed to "Social Science and Education" in a staff order of January 28, 1943.

<sup>39</sup> Memorandum of January 28, 1943.

<sup>40</sup> This chart was dated February 14, 1942.

<sup>41</sup> Mr. Carl B. Spaeth with the title of Assistant Coordinator headed this unit.

agency operations; and a Regional Division which was the service unit for the field organization (coordination committees) which had been created some months earlier. The third major area in which the agency operated was classified as "Psychological Warfare;" it was headed by Mr. Wallace K. Harrison, also listed as Assistant Coordinator. Within it, five subdivisions were shown: Press Division, Motion Picture Division, Radio Division, Cultural Relations Division, and a new U.S. Program Division, which had been created to further inter-American relations by disseminating information on the other American republics throughout the United States.

In the administrative field, this chart showed a Legal Division and a Management Division connected to the Office of the Coordinator. The Management Division had three sections: Administrative, Fiscal Management, and Office of the Secretary. Illustrative of the inaccuracy of some charts, the Inter-Departmental Committee on Inter-American Affairs was indicated as a part of the Office structure although it had ceased to function at least six months earlier.

The merger of a part of the Office with BEW broke up by April 1, 1942. The Office continued to maintain a small Economic and Financial Division in its organizational structure, but one which had very few functions. Two or three organizational charts issued in the spring of 1942 show the agency structure in a form which it was to maintain basically during the remainder of the war years.<sup>42</sup> The Coordinator was aided by three Assistant Coordinators on the operating level, with no name given to the units which these Assistant Coordinators headed. One had charge of information activities of the Office with five divisions under his direction: Radio, Motion Pictures, Press, Science and Education,<sup>43</sup> and Organizations which dealt with activities in the United States. A second Assistant Coordinator had charge of the program which was just getting under way in the field of health and sanitation and nutrition. Within this area the organization was still clearly in the formative stage, for in April only one Division, called Basic Economy, was shown, while in later charts three divisions are noted: Health and Sanitation, Nutrition and Food Supply, and Emergency Rehabilitation (which was designed to aid

<sup>42</sup> Of these charts, one was dated April 17, another May 5. A third was undated but from internal evidence is believed to be in the late spring or early summer of 1942.

<sup>43</sup> This division handled that part of the cultural activities of the Office still in existence.

certain areas adversely affected by the war). At this time the Regional Division which served the coordination committees was placed in this Department.<sup>44</sup> The third Assistant Coordinator had charge of those economic and financial operations remaining in CIAA, with four subdivisions listed: Development and Liaison, Financial, Transportation and Commercial.

In the charts made in the spring of 1942, administrative units shown are fewer than in earlier ones. An Executive Assistant to the Coordinator (who by the summer had attained the rank of Assistant Coordinator) had under his direction divisions dealing with administrative and fiscal affairs.<sup>45</sup> A General Counsel was listed and a group entitled "Special Advisers to the Coordinator" was also shown. At this time also there was in existence a Directive Council, which had been created to aid in policy planning but which was never to be particularly effective.

In September 1942, the Office issued the last organizational chart which it was to make for some time.<sup>46</sup> In it the same three major divisions are shown as were indicated in the spring charts, however, they are now called departments. The Information Department had the same five subdivisions as listed regularly for some time. The Basic Economy Department now indicated the creation of The Institute of Inter-American Affairs whose operations were subdivided into three sections: one handling health and sanitation, another food supply, and a third emergency rehabilitation. Outside The Institute of Inter-American Affairs but still under the Basic Economy Department were the Regional Division, a Planning and Analysis Section, and an Exchange and Consultants Section. The Commercial and Financial Department listed three subdivisions: Ocean Shipping, Industry and Trade, and Inter-Agency. Also associated with this Division (but not a part of it) were the Inter-American Development Commission and the Inter-American Training Administration. In the administrative area the Coordinator as usual was advised by a special group of consultants and by a Legal Division. The unit formerly shown as the Directive Council was now called a Directive Division, with four sections: one han-

<sup>44</sup> The title of Basic Economy began to be applied to the whole Department by the summer of 1942.

<sup>45</sup> In the latest of the charts discussed, the Administrative Service Division had four sections: Personnel, Office Service, Procedures, and New York Administration. The Fiscal Division had a Budget Section, An Audit Section, an Accounting Section, and a Project Performance Control Section.

<sup>46</sup> This chart also indicated the functions of various divisions and sections.

dling Political Analysis, another Propaganda Analysis, a third acting as a Recording Section, and the fourth as a Special Planning Section.<sup>47</sup> A Fiscal Division and an Administrative Service Division were under a fourth Assistant Coordinator, with the Inter-American Navigation Corporation and a Transportation Division also attached to his office.

During the last several weeks of 1942 a special study of the organization of CIAA in the information area was made. This investigation was carried out by Mr. Mark M. Jones, a consulting economist, who had done similar work previously for the Rockefeller interests in New York. Mr. Jones made his report on December 31, 1942, after having given, according to his account, "personal consideration of the activities of each of the principal units in the Office and discussion of problems and needs with the heads of these units and often with their assistants."<sup>48</sup> Mr. Jones noted that two tentative and preliminary reports had preceded his final one and that during the course of the study consideration had been given to the work and views of "54 different agents of the Office." The principal findings of the report, which were the basis for proposals offered for reorganization, were as follows:

1. The creation of OWI, the inauguration of the North African Campaign, and the evolution of the war program generally have materially emphasized and sharpened the information needs and opportunities of the Office of the Coordinator of Inter-American Affairs.

2. The pressing need to initiate operating activities in areas not being served by other governmental agencies has naturally emphasized attention on the part of the Office of the Coordinator to the conduct of a program of activities more than to coordination of inter-American affairs.

3. The evolutionary development of the information and operating activities has reached the point where articulation and coordination within the Office of the Coordinator are indicated as the essential next emphasis in the shaping of its structure and instruments.

4. Although the Office is in possession of a vast amount of important information with respect to the other American republics, this is more the result of accumulation than of purposeful collection, the information is not readily available to the Office as a whole, and therefore in contrast with needs the situation presents many inadequacies.

5. The key personnel of the Office comprises many men of unusual ability and promise.

6. The Office has an unusual esprit de corps.

<sup>47</sup> A staff memorandum of June 26, 1942, set up the administrative unit called the Directive Division, with at the time only the first three sections listed above as subdivisions. The Directive Council was still to continue to meet.

<sup>48</sup> Mark M. Jones, "Reorganization Proposals: Information Area, CIAA", December 31, 1942.

On the basis of these findings, Mr. Jones proposed that increasing emphasis on information and modern methods of securing and applying it should be developed with the creation of a "Coordination Department" serving as the central unit in carrying this out. He likewise proposed minor adjustments in the official instruments used for control, direction, and supervision; the development and use of an "articulated reports system;" and the development and use of an "articulated meeting system." The Coordination Department, which was to be the principal point in the proposed reorganization, was to have as its duties the collection, maintenance, and use of pertinent information, the formulation of plans and programs for the Office, and the articulation of all of its activities by handling certain specialized functions for the common use of all departments of the agency. Four subdivisions were proposed for this Department: an Expedite Division, A Communications Division, a Resources Division, and a Planning Division.

The Expedite Division was to consist of men individually assigned to contact government agencies or other organizations for the purpose of expediting the attack on problems and needs of importance to the other American republics, and for the collection and reporting to the Communications Division of information gained from these sources. The proposed Communications Division would serve as the receiving, analyzing, and referring screen for all information coming into the agency, and would also serve as the point of departure for certain outgoing information. It should be organized to give attention to three principal kinds of information:

1. Conditions and needs in Latin American republics.
2. Work of the Office of the Coordinator.
3. Activities of the other United States Government agencies.

Its activities should be broken down, according to the report, into at least eight units based on geographic areas which correspond roughly to major subdivisions of Latin America. The Communications Division, since it would handle all incoming materials, would serve as the particular instrument to respond to the suggestions, requests, and needs of the coordination committees. The Communications Division also was to handle formal clearances of projects with the Department of State.<sup>49</sup>

<sup>49</sup> The report suggested a number of technical measures in regard to screening, routing, and cross-registering of all informational materials.

# COORDINATOR

## SPECIAL ADVISERS TO THE COORDINATOR

To advise the Coordinator on policy matters and specific problems bearing upon the work of the Office in relation to Inter-American affairs.

## GENERAL COUNSEL

All legal matters affecting the Office. Responsibility is concerned especially with the legal relations of the Office, contractual and otherwise, with other agencies of the Government, and with private agencies and enterprises.

## DIRECTIVE COUNCIL

Integration of political, social, and economic information and activities in the other American Republics for the purpose of determining policy directives for the use of the individual departments and divisions of the Office in carrying out their various programs.

## EXECUTIVE ASST. TO THE COORDINATOR

**ADMINISTRATIVE SERVICE DIV.**  
Administrative management; personnel administration; organization studies and development of improved procedures and methods of office services.

## FISCAL DIVISION

Performance control of projects engaged by or on behalf of the Coordinator's Office; budgetary planning and management; and fiscal accounting and management.

## ASST. COORDINATOR

### RADIO DIVISION

Broadcasting of Government programs; coordination of radio industry programs (1) transmitted to the other American Republics, including local broadcasts, and (2) broadcasts within the United States on inter-American subjects.

### MOTION PICTURE DIVISION

Theatrical and nontheatrical production and distribution throughout the hemisphere; newsreels, short subjects, 16 mm. noncommercial, and feature films.

### PRESS DIVISION

Publication in other American Republics of news about the United States, and in this country of news about the other Republics; utilizes all available media.

### SCIENCE AND EDUCATION DIVISION

Stimulation and execution of education, publication, art and music, and sports activities through institutions and individuals, both governmental and private nonprofit organizations.

### ORGANIZATIONS

Inter-American programs for Farm, Labor, Business and Industrial, Civic, and other groups in the United States.

## ASST. COORDINATOR

### HEALTH AND SANITATION DIVISION

Execution of projects in cooperation with the governments of the other American Republics for improved health and sanitary conditions.

### NUTRITION AND FOOD SUPPLY

With particular emphasis on emergency situations created by the war, the development and execution of any measures necessary to meet the food supply and nutrition problems of the other American Republics.

### REHABILITATION DIVISION

Rehabilitation of areas adversely affected by military operations, economic factors arising from the war or natural disasters.

### REGIONAL DIVISION

Correlation and liaison with the Coordination Committee system functioning in the other American Republics in cooperation with the State Department; field operations liaison.

## ASST. COORDINATOR

### COMMERCIAL DIVISION

Through coordination introduces new and assists in carrying on existing commercial developments in the other American Republics to aid in the defense effort, and fosters trade development with long-range objectives; administers to Inter-American Development Commission.

### FINANCIAL DIVISION

Through coordination considers and recommends ways and means of handling all types of financial problems that may arise in the other American Republics or in connection with commerce among the Americas.

### TRANSPORTATION AND COMMUNICATIONS DIVISION

Studies transportation and communications problems of various kinds; recommends additional facilities where necessary and methods for more effective use of existing facilities through coordination.

### LIAISON, DEVELOPMENTAL, AND REQUIREMENTS DIVISION

Advises on and coordinates projects recommended and as liaison with the Board of Economic Warfare and other agencies.

BEST AVAILABLE

Under the Resources Division would be carried out two distinct kinds of activities. One would handle in a systematic manner the maintenance of all potentially useful documents and information obtainable with respect to each of the other American republics, with this material grouped in about the same manner as the regional grouping in the Communications Division. The Central Filing System was to be articulated with this "Resources Center" by use of a similar subject classification and by restriction of Central Files to material which did not seem potentially useful or which should be kept in Central Files for record purposes. Likewise, in the Resources Division it was proposed that there should be sections concerned with the extraction, arrangements, and presentation of information. Six sections were proposed. A Summaries Section would bring together quickly essential data on subjects as requested on a spot basis. Another section would be concerned with longer range projects which might involve investigation over a longer period of time. A proposed Political Analysis Section would concentrate upon interpreting and reporting of noteworthy day-to-day political developments in the other American republics, while an Economic Analysis Section would carry out similar types of activity in the economic field. A proposed Historical Records Section was to maintain a systematic history of the Office with particular relation to the war effort, so that this might be used later in a comprehensive historical record of the entire war effort of the United States.<sup>50</sup> Finally, a Chart and Presentation Section was proposed for the purpose of preparing and maintaining charts which would be useful in gauging and carrying on the agency's activities.

The fourth major division proposed by Mr. Jones was a Plans Division which should be concerned with three types of activity. One of these was the making of plans required in connection with information and propaganda activities. Second, there should be plans made in connection with individual projects; the Project Committee in operation would need only certain adjustments to carry on this function. Finally, there should be a small staff which would prepare plans which might be utilized in the event of certain anticipated contingencies. In addition to the above divisions, the proposals made by Mr. Jones involved

<sup>50</sup> In March 1942, President Roosevelt had ordered agencies to inaugurate plans for the presentation of a history of their efforts during the war period.

a system of reports on a regular basis as to the current activities of each unit of the Office, indicating assignments on the basis of their conditions at the moment, and showing what new projects had been started as well as those which had been finished during the particular period. Other types of "surveys" or "proposals" were to be used for specific projects or problems. The Jones report also proposed a "meetings system" by which certain types of meetings for different needs of the Office should be held on a regular basis.

The plan evolved by Mr. Jones did not meet with full approval among staff leaders. Mr. Joseph Rovensky, for example, objected to Mr. Jones' "principal findings," which he (Mr. Rovensky) summarized as follows:

1. That the creation of OWI and the North African Front "materially altered" our activities.
2. That coordination is subordinated.
3. That after 2½ years, we still don't have an organization.<sup>51</sup>

He also pointed out that the most of the rest of the plan simply concerned the setting up of a Coordination Division, and noted that the activities of CIAA had been already definitely "grooved" in the following activities: handling of propaganda and information for the other American republics; health and sanitation work; coordination; and other activities which had been definitely assigned to the agency, such as those of the Inter-American Navigation Corporation, the Mexican Railway project, and certain other units, and that before a Coordination Division should be set up, the whole proposal made by Mr. Jones should be given further study. No documents have been found in the files expressing the opinion of other staff leaders, but developments in the next few months give evidence that the idea did not receive too great support.<sup>52</sup>

Some parts of the plan were put into effect. An order of December 23, 1942, directed:

... proposed changes in the organization of those parts of the Office responsible for reports, analyses, research, classification, and visual presentation of material affecting the program of the Office.<sup>53</sup>

<sup>51</sup> Mr. J. C. Rovensky to Mr. John E. Lockwood, January 5, 1943.

<sup>52</sup> Insofar as can be determined, some men supported the idea while others were opposed. Mr. John E. Lockwood in an interview indicated that he had favored it because he felt that the use of a regional set-up would be valuable in carrying out the program of the Office because, in his opinion, a functional division in regard to activities offered certain problems.

<sup>53</sup> N. A. Rockefeller to staff, December 23, 1942. The memorandum also indicated a further development of the Regional Division and a Resources Division would be gradually put into effect; these proposals were undoubtedly based on ideas as shown in the Jones Report.



In this memorandum an expansion of the Regional Division was ordered, and the assignment to it of additional responsibilities was made.<sup>54</sup> The latter included securing and classifying, on a country or regional basis, of comprehensive basic information concerning the other American republics and the maintenance of current data on the plans and activities of the various operating divisions of CIAA and of other government agencies and private groups. The Division was to continue to service the coordination committees, take over liaison with the Department of State, and answer spot inquiries concerning individual countries through various desk officials assigned to areas. Provision was also made that the Regional Division act as a sifting unit in regard to incoming correspondence, and that a copy of all outgoing correspondence should likewise go to it, as well as copies of inter-Office memoranda and memoranda of conversations or conferences. The Division likewise was to receive from the Press Division AP and UP materials, and would also receive all State Department dispatches, transcripts of broadcasts by Latin American radio stations, censorship intercepts, and reports from other agencies.

A Resources Division was created at the same time which was particularly to deal with research of different types. It was to consist of several sections: Research, Economic Reports and Analysis, Political Reports, and Analysis, Chart Room, Office of Recording Secretary, Office of the Historian, and Office of Operations Reports. The Economic Reports and Analysis Section was to be charged with preparing current reports on the economic situation in the other American republics and also longer reports on particular developments in the economic field by means of current statistical information which it would maintain. The Political Reports and Analysis Section would do the same thing in the political field, while a so-called Research Section would be responsible for all reports not prepared by the two foregoing Sections.<sup>55</sup> The Chart Room (already a smoothly-functioning unit) was to continue to prepare charts, and the Office of the Recording Secretary and Office of the Historian were likewise to carry out duties already their responsibility. The Office of Operations Reports was to prepare a weekly report on the activities of CIAA and such other

<sup>54</sup> A draft of December 10, 1942, outlining the proposed organization of the Regional Division included, also included a proposed "Expedite Division" in line with the Jones report, but this section was deleted.

<sup>55</sup> This Section later on is to be called the Social and Geographic Section.

special reports on operations as might be requested.

A further organizational realignment designed to carry out some part of the proposals made by Mr. Jones was made with the issuance of a staff memorandum on February 22, 1943. This established a Department of Information Services.<sup>56</sup> The new Department consisted of the following divisions: Content Division, Regional Division, Resources Division, and Inter-American Activities in the United States. Responsible directly to the Department was an Operations Report staff consisting of one person in charge of Committee and Project Reports, another in charge of Historical and Special Reports, and a third in charge of the Weekly Report of Activities.<sup>57</sup> The Content Division (called also Content and Planning Division and later Content Planning Division) was to work under the direction of a Content and Planning Committee.<sup>58</sup> The Resources Division was composed of an Economic Analysis Section, a Political Analysis Section, a Research (later Social and Geographic) Section, a Library and Reference Section, and the Chart Room. The Division of Inter-American Activities in the United States was broken down into four main Sections: Inter-American Centers in the United States, Major Key Group Section, Spanish and Portuguese Speaking Minorities Section, and Speaker's Service Bureau Section.<sup>59</sup> Beyond the organization of the Department of Information Services (which remained in existence until September 2, 1943,<sup>60</sup>) the plans involved in the Jones report were not carried out. No Expedite Division was ever organized nor was the Plans Division as such, although the Content and Planning Division and the Project Committee carried out most of the functions which would have been assigned to the latter unit. It must also be borne in mind that many of the functions envisaged in Mr. Jones' plan were already being carried out by existing units, and that these were changed little if at all when transferred to the new department.

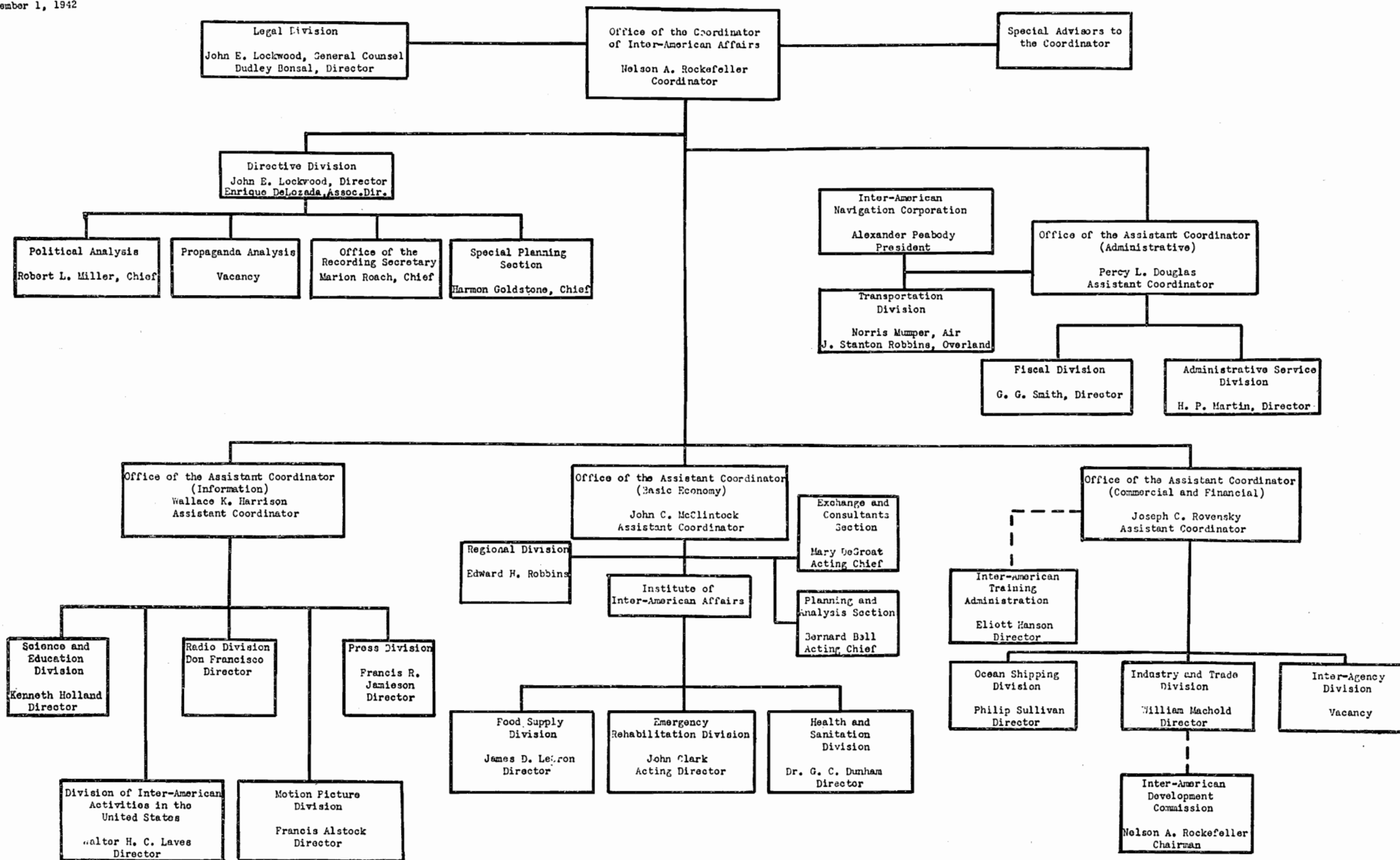
<sup>56</sup> Mr. Victor G. Borella was named Director and Mr. John E. Lockwood, General Counsel, was made Acting Executive Officer in charge of the Regional and Resources Divisions.

<sup>57</sup> On May 22, 1943, a staff order changed the name of the Office of Recording Secretary to "Committee and Project Service Section."

<sup>58</sup> The membership of this Committee was composed of Victor Borella, Don Francisco, Francis Alstock, and Enrique S. de Lozada, with Francis A. Jamieson as Chairman.

<sup>59</sup> A memorandum of Mr. Victor Borella to Mr. Percy Douglas, May 19, 1943, listed the units of the Department with the personnel of each.

<sup>60</sup> A memorandum of this date created the Department of Economic Development and transferred to it the Regional and Resources Divisions of the Department of Information Services, which was to be now called the Department of Inter-American Activities.



Prepared by:

Personnel Office  
 Classification Section

Insofar as the organization of CIAA was indicated in various issues of the United States Government Manual, the issue for the fall of 1942 was in agreement with the agency chart put out in September. A year later, in the summer of 1943, a manual indicated the same number of Assistant Coordinators in charge of the same departments.<sup>61</sup> Divisions listed are the same as those shown in the fall of 1942, except that one new unit in the Commercial and Financial Department had been added. This was an Industry and Trade Development Division, and reflected the revived interest of the agency in a possible economic development program. In the winter of 1943-44 the United States Government Manual showed two new Assistant Coordinators appointed, both operating in the information field. One was in charge of press activities, the other of radio operations.<sup>62</sup> A Department of Inter-American Activities in the United States had been created, but its head was classified as Director instead of Assistant Coordinator. A Transportation Division growing out of the Economic Development program was now shown in place of the Industry and Trade Development Division listed the previous summer. The Motion Picture, Press, and Radio Divisions were still listed as such instead of as departments, although the heads of Press and Radio were now Assistant Coordinators.

In the summer of 1944, the United States Government Manual showed six Assistant Coordinators and on this occasion listed divisions under the charge of each. Under the Assistant Coordinator in charge of Economic Development were a Field Operations Division and a Research Division. The Assistant Coordinator in charge of Information<sup>63</sup> had under him a Radio Division, a Motion Picture Division, an Education Division, and a Content Planning Division. The Assistant Coordinator in charge of Basic Economy directed (through The Institute of Inter-American Affairs) a Health and Sanitation Division and a Food Supply Division.<sup>64</sup> The fourth Assistant Coordinator had charge of Administration, Special Operations, and Special Services. No subdivisions were shown under the Assistant Coordinator in

charge of Press, although such subdivisions existed. The sixth Assistant Coordinator had under him a Transportation Division, with no divisions shown.

The most extensive organizational chart showing functions and personnel of the agency was issued as of October 31, 1944.<sup>65</sup> The Coordinator was aided by a General Counsel, Special Advisers, and six Assistant Coordinators. These Assistant Coordinators headed the Departments of Economic Development, Press and Publications, Information, Basic Economy, and Transportation; the Assistant Coordinator in charge of Administration had under him two Departments: Special Service and Administration. The Department of Economic Development was subdivided into four Divisions: Research, Commercial and Financial, Field Operations, and Advertising; it also served as the medium for liaison with the Mexican-American Commission for Cooperation and the Inter-American Development Commission. The Research Division of this Department was further subdivided into an Economic Section, a Political Section, a Social and Geographic Section, and a Reference Library. The Press and Publications Department showed three Divisions (News, Features, and Graphics and Publications) as well as an Administrative Section, a Field Operations Section, and a Foreign Languages Section. The unit handling Mat and Microfilm activities was attached to the Field Operations Section. The Graphic and Publications Division of the Press Department had three Sections: Photo, Publications, and Art, while the News Division had two: Current News and Propaganda Analysis. One Economic Section was shown as a subdivision of the Feature Division. The operations of the Department of Information were carried out through five Divisions: Content Planning, which was designed to establish the strategy for an integrated affirmative information program; the Education Division, which was in charge of developing cooperative educational programs in the other American Republics, and whose operations were carried out through the Inter-American Educational Foundation, Inc.; the Motion Picture Division; the Radio Division; and the Regional Division. The Educational Division was broken up into three Sections: Teaching Material and Publications, Field Operations and Planning, and Administrative Services. In the Motion Picture Divi-

<sup>61</sup> John S. Dickey was regularly classified as Special Assistant, and Enrique S. de Lozada as Special Adviser, in the Manual.

<sup>62</sup> Actually operations had been carried on independently in these two fields for some time.

<sup>63</sup> A staff memorandum of April 17, 1944, established this Department, headed by Mr. Don Francisco.

<sup>64</sup> The Emergency Rehabilitation unit had been abolished. A Training Division in this Department was created in July 1944; it had actually been functioning for some time.

<sup>65</sup> The functional charts showed only the Washington operations.

sion operations were indicated as being carried on through the Washington Office, which established the policy and scope of the program and coordinated its activities with those of other government agencies, and the New York Office, particularly concerned with operations. The latter had three Sections: Production and Adaptation; News-reel, and Distribution; a Hollywood Office which maintained contact with the motion picture industry in Hollywood.

Direction of the Radio Division program, as in the case of Motion Pictures, centered in the Washington office, with the chart also showing a San Francisco office and a New York office. Sections of the Radio Division in Washington were the Regional Operations Section, Reports and Operating Analysis Section. In the New York office the following units operated: Administration and Distribution Section, Editorial Section, Content and Directives Section, Engineering Section, Program Management and Production Section, United States Activities Section; Special Events Section, and a Hollywood Section which maintained contact with the industry in this city. The Regional Division at this time was made up of eight Sections, as follows: Mexican and Guatemalan Section, Caribbean Section, Central American Section, West Coast Section, River Plate Section, and Brazilian Section. A Liaison and Communications Section handled liaison with the Department of State, and a Reporting Section prepared studies on activities in the field. The Content Planning Division of the Information Department showed no subdivisions. The Department of Basic Economy carried out its program through the instrumentality of The Institute of Inter-American Affairs. Within the latter, the three divisions shown were Health and Sanitation, Food Supply and Training. Units of the Health and Sanitation Division were an Administrative Section, an Engineering Section, and a Medical Section, while under the Food Supply Division was a section for Program Development and Operations. The Department of Transportation was divided into the four obvious subdivisions: Air Transport Division, Highway and River Transport Division, Railway Transport Division, and Ocean Shipping Division.

Under the Coordinator particularly concerned with administrative affairs were located two Departments, each of whose activities were carried out by a number of sections. One of these was the Department of Administration, headed by a

Director. Units listed within the Department of Administration were Budget and Finance, Service Operations, and Personnel Divisions, with smaller units dealing with the following operations: Microfilm, Graphic Reports, Committee and Project Services, Administrative Management, Administrative Inspection, and Controlled Materials. Under the Service Operations Division, five Sections were shown: Travel, Purchase and Shipping, Office Service, Translating, and Records and Files. The Personnel Division also had five Sections: Classification, Placement, Employee Counseling and Service, Training, and Records. A Budget Section, an Accounts Section, and an Audit Section carried out the work of the Budget and Finance Division. The second Department under the Assistant Coordinator in charge of Administration was the Department of Special Services, which handled relations of the Office with various groups in the United States. An Education and Teacher Aids Division in this Department listed its activities as carried out by three sections: Teacher Aids, Lectures and Institutes, Teacher Training. A second Division, Services and Field Coordination, maintained a Speaker's Section and a Material Section. A Labor Relations Division also maintained three sections: Labor Service, Labor Information, and Labor Projects. Associated also with the Department of Special Services were units concerned with the activities of inter-American centers in the United States and reception centers to give assistance to visitors from the other American republics. A Spanish Speaking People unit in the United States Section maintained contact with persons in this category in the Southwest, and a Major Key Groups Section worked with larger organized groups in the United States.

The Office reached its maximum strength in regard to personnel in July of 1943, and for the next year and a half remained in the neighborhood of this figure. Tapering-off operations were talked of as early as the latter part of 1943,<sup>66</sup> with the reduction occurring in Washington rather than in the field where personnel figures remained more nearly constant and even increased slightly in early 1946 as the Inter-American Education Foundation began to get its program under way. In December of 1944 Mr. Rockefeller's transfer to

<sup>66</sup> Minutes of Meeting between CIAA and officials of the Bureau of the Budget, October 8, 1943. By this time the Coordinator also had begun to think of liquidation of the agency at the end of the war, transferring long-range activities to old line departments (see chapter 22).

the Department of State as Assistant Secretary for American Republic Affairs may be said to have started the beginnings of the change in organizational structure which was to end in termination of the activities of CIAA as a separate agency a year and a half later.

A recapitulation of the organization of CIAA from the summer of 1942 to the end of 1944 reveals that in this period certain functions of the Office remained virtually unchanged insofar as organizational form was concerned. The information operations of the Office continued to be handled through three main subdivisions: Press, Motion Picture, and Radio. Each of these was largely a self-contained unit, although Motion Pictures never reached the status of a department. The same thing was true in regard to the operations of The Institute of Inter-American Affairs, where the Health and Sanitation and Food Supply Divisions continued to carry out programs established in 1942, and a Training Division handling technicians in these fields from the other American republics functioned for most of the time. The major change in this Department came in the discontinuance of the Emergency Rehabilitation program, which in any case had only been concerned with two major projects and one of minor character. In the field of economic development and commercial and financial affairs, the agency organization had been far less stable. Only a few activities in this general area lay within the program of CIAA in the summer of 1942, following the breakup of the BEW merger. A year later the agency attempted to revive this type of program, which is reflected organizationally by the creation of a Department of Economic Development on September 2, 1943. This Department was to continue in existence until 1945, but never was able to enter into operations on a large scale. Associated with the same field of activities were training programs in the field of transportation, the work of the Mexican-American Railway Commission, and the Mexican-American Commission for Economic Cooperation. An attempt to organize the information-gathering and dispensing facilities of the Office into a single unit, contemplated in the Mark Jones report, failed to result in the establishment of a permanent unit for this purpose, with the Department of Information Services lasting less than a year. The original Cultural Relations Division of the Office existing in prewar times had been reduced to limited activity within six months after the war had start-

ed, and was mainly represented in the organizational structure by a Science and Education Division, located in the Information Department of the Office throughout the war years, and with a subsidiary corporation, the Inter-American Educational Foundation, Inc., created in 1943 to carry out its program in the other American republics. Also stemming from the old Cultural Relations program was the idea of informing people in the United States concerning conditions and ideas in Latin America. The unit working in this field did not achieve the position of a department until September, 1943,<sup>67</sup> and its operations were always limited by lack of funds and personnel.<sup>68</sup> Within the organizational structure in existence during the war years certain units were transferred from one department to another on several occasions. Of the units so transferred, four in particular are of this character. One of these was the Regional Division, whose primary purpose was to service the coordination committees set up by CIAA and likewise to serve other divisions of the Office by supplying spot information upon conditions in a given American area. Because it served several departments, the Regional Division could have been made a part of any one of them; however, Mr. Rockefeller found it best not to associate this Division with administrative units.<sup>69</sup> Another division which saw several shifts was that which by 1944 had come to be known as the Research Division. The functions of research and of maintenance of reference files of material before this time not only had been located in the Department of Information Services, but before that had even been broken up between other departments and administrative units to some extent. The unit which came to be called Content Planning also saw some shifts; in theory, it served all the information activities of the Office, but was shifted around from the Press Division to the Information Department, from there to Information

<sup>67</sup> At first its name was "Department of Inter-American Activities," which was a short time later changed to "Department of United States Activities and Special Services" and finally to "Department of Special Services."

<sup>68</sup> At a meeting between representatives of CIAA and the Bureau of the Budget officials on October 8, 1943, the latter had objected to the creation of a Department of United States Activities on the basis of its small size (appropriations requested for this purpose in the agency's budget had not been granted in full by Congress). The Coordinator defended its establishment, however, on the basis of the importance of the work which it was doing.

<sup>69</sup> According to statements made to Bureau of the Budget officials on October 8, 1943, it was shifted to the Dept. of Economic Development in 1943 largely for personal reasons — Mr. John C. McClintock, head of the newly-formed Economic Development Department, had been the one who had set up the coordination committees.

Services, and eventually back to the Information Department again, and finally combined in 1945 with the Research Division to form the Guidance and Reference Division. Three other smaller units whose work was not primarily connected with one field of activity were shifted from time to time in the organizational structure.

On December 4, 1944, Mr. Rockefeller was nominated Assistant Secretary of State in Charge of Relations with the Other American Republics. On December 26 he designated Mr. Wallace K. Harrison as Deputy Coordinator, and Mr. Harrison continued to hold this title until March 23, 1945, when the name of the agency was changed to the Office of Inter-American Affairs; at that time he became Director. The divisions of the Office given in the *Congressional Directory* for January, 1945,<sup>70</sup> showed the Coordinator assisted by an Executive Director (who was also Assistant Coordinator in charge of Administration and Special Services) with under him a Research Division. The Department of Information for the moment had no Assistant Coordinator in charge;<sup>71</sup> divisions under it were listed as follows: Radio, Motion Picture, Regional, Education, and Content Planning. The Press and Publications Department was unchanged from the organization as shown in the October 31 chart. In the Basic Economy Department only two divisions are listed — Health and Sanitation and Food Supply — although the Training Division was carrying on operations as usual. Under the Assistant Coordinator in charge of Administration and Special Services five divisions were listed: Education and Teacher Aid, Services and Field Coordination, Personnel, Budget and Finance, and Service operations. One Assistant Coordinator still headed the Department of Transportation; no divisions in this Department were listed in this edition of the *Directory*.<sup>72</sup>

Almost exactly the same organizational structure was shown in the first edition of the United States Government Manual for 1945, covering alignment through March 10.<sup>73</sup> The second edition of the United States Government Manual for 1945, carrying revisions through September 20, reflected the reduction in functions of the Office

<sup>70</sup> 79th Congress, First Session, January, 1945, p. 322.

<sup>71</sup> Mr. Don Francisco who had held this post had tendered his resignation effective in February.

<sup>72</sup> This Department had replaced Economic Development, and Mr. McClintock, who had been in charge of the latter, had gone with Mr. Rockefeller to the Department of State as had also Mr. Lockwood, former General Counsel, and Mr. Harry Frantz, former Director of the Press Division.

<sup>73</sup> *United States Government Manual*, 1945; first edition, p. 76.

which had been carried out during the summer in view of the ending of the war. The Office was now headed by a Director.<sup>74</sup> In charge of administration was an Executive Director and Comptroller, with the Personnel Division and Service Operations Division shown as under his charge. Under the Director of The Institute of Inter-American Affairs the three divisions of Health and Sanitation, Food Supply and Training (the latter had been omitted in directories in the spring) were listed. The Director of the Education Division carried out operations through the Inter-American Educational Foundation, and a Director headed a Transportation and Economic Development Department. Two divisions — Economic and Labor Relations — were subdivisions of this unit. A Special Services unit was still maintained although it was to cease to operate by the end of the year.<sup>75</sup> Under the Transportation and Economic Development Department the Divisions of Rail, Overland Transportation, and Aviation were listed.

Information supplied for the United States Government Manual to appear in the spring of 1946 mentioned that the Office would terminate its activities as an agency on May 20, 1946, and noted that it was still headed by a Director. A General Counsel was listed and an Executive Director and Comptroller had under him a Personnel Division and a Service Operations Division. The Institute of Inter-American Affairs was shown as headed by a President (who was also Director of the agency) and the usual three Divisions of Health and Sanitation, Food Supply, and Training are listed. The Inter-American Educational Foundation, Inc., was indicated as under an Acting Director, and a Director headed the Transportation and Economic Development Department with one unit — an Economic Division — shown under his direction. The Institute of Inter-American Transportation was listed as under a President. A Labor Relations Division was shown, not attached to any specific unit.

A recapitulation of the growth of CIAA organization in terms of personnel shows employees increasing from 9 in August, 1940, to 189 at the end of June, 1941, with the latter figure including

<sup>74</sup> Mr. Harrison still retained this post, but Mr. Francis A. Jamieson as Acting Director was really in charge in Washington.

<sup>75</sup> The *Congressional Directory* depicted the organization in about the same manner, except that officials who had formerly been called Assistant Coordinators were now called Deputy Directors.

some 36 dollar-a-year men.<sup>76</sup> While estimates for personnel for the fiscal year 1942, made in June 17, 1941, in connection with budget estimates, considered that about a maximum of 246 regular employees would be sufficient, by the start of the war, the number of employees had exceeded this figure.<sup>77</sup> On December 20, 1941, just after the war started, personnel figures drawn up indicated that some 410 persons were expected to be on the agency payroll by December 31, and that by March an increase to nearly 800 was planned. While the growth of the agency was not as rapid as this forecast, some 615 employees were on the CIAA payroll by the end of the 1942 fiscal year.<sup>78</sup> This number did not include dollar-a-year men and persons receiving no compensation, and also listed 62 of the number in the field. Within a month the number of employees had increased to 700, with nearly 200 of this number located in the other American republics.<sup>79</sup> In June 1943, the Office employed some 873 persons in Washington, 276 in New York and other United States cities, and 264 in the other American republics; as previously noted, this number remained fairly constant until the end of the calendar year, 1944.<sup>80</sup> By June 1945, the figure had decreased somewhat, with 746 persons employed in Washington, 206 in

other United States posts, and 225 in the other American republics. Figures as of September 1 1945, show that some 550 persons were transferred from the Office of Inter-American Affairs to the Interim International Information Service under Executive Order of August 31, 1945, creating that body. Estimates made in April, 1946 indicated that about 385 persons, all listed as employees of the several subsidiary corporations, would be transferred to Department of State jurisdiction when the executive order terminating the existence of the Office became effective on May 20, 1946.

In several preceding chapters the issuance of regular bulletins by the agency for the information of its personnel and of other interested Government agencies has been noted; in addition, some bulletins were produced for use in the field or by the public. In many cases the former type of bulletin was restricted to the use of Government employees, partly for the reason that some of the information contained might give aid or comfort to the enemy or because an undue amount of publicity might affect the success of these particular operations. Many such items, of course, were of interest only to small groups within the Government. A further reason for restriction of some bulletins was the fact that CIAA appropriations did not include large sums for printing purposes and it was essential not to encourage distribution beyond actual need.

Most of the bulletins put out regularly bear the emblem adopted by the agency very early in its history.<sup>81</sup> This emblem is described as "a map of North and South America, red on white background, with two arrows, one pointing north and one south, with OCIAA at the bottom."<sup>82</sup>

<sup>81</sup> This emblem was apparently selected in the summer of 1941, for a memorandum of November 25, 1941, (K. Baily to all officers) noted that the official cut of this emblem "designed for CIAA several months ago" had been mislaid.

<sup>82</sup> *Ibid.* Color of the emblem varied in different bulletins.

<sup>76</sup> Later, dollar-a-year men were changed to a "Without Cost" category, for reasons of importance in setting personnel ceilings.

Figures shown in the above recapitulation of employees of the agency are to some extent approximate, and are given to indicate organizational growth. Exact figures for a given date are difficult to determine in view of the fact that in some estimates pending appointments, or available (but at the moment unfilled) vacancies are included. Laborers in the field employed and employees of the coordination committees are also not included in the above figures, which concern persons with Civil Service status only.

<sup>77</sup> *Hearings, H.R., Second Deficiency Appropriation Bill of 1941*, p. 693. In addition to the 246 regular employees some 36 dollar-a-year men would also serve the agency.

<sup>78</sup> *Hearings, H.R., First Supplemental National Defense Appropriation Bill for 1943*, p. 562.

<sup>79</sup> See chart attached.

<sup>80</sup> Figures supplied by the OIAA Personnel Division from reports to the Civil Service Commission showed in June, 1944, 825 in Washington, 270 in the other American republics, and 190 in New York and other United States cities, not including "Without Cost" personnel, those inactive for military furlough or other reasons, and those paid only "when actually employed."

### Estimate of CIAA Employees 1940-46

Month	Year	In Washington	In other United States posts	In other American republics	Total
August 30.....	1940	9			9
June 30.....	1941				19
December 31.....	1941				41
June 30.....	1942	553		62	615
July 31.....	1942	720		195	915
June 30.....	1943	873	276	264	1,413
June 30.....	1944	825	190	270	1,285
June 30.....	1945	746	206	225	1,177
September 1.....	1945	373	8	193	574
March 31.....	1946	338	1	227	566

<sup>1</sup> June 17, 1941 (*Hearings, H.R., 1941*, p. 693). This figure included 36 dollar-a-year men.

<sup>2</sup> Table prepared December 20, 1942, covering estimate on personnel needs for next quarter.

<sup>3</sup> As estimated in table prepared on May 2, 1942; also in *Hearings, H.R., 1943*, p. 562.

<sup>4</sup> Following transfer of information services to Interim Information Service.

## PHILOSOPHY AND AUTHORITY

As the development of the agency progressed, the philosophy which was to govern most of its operations also became established. Through force of circumstance, the Office of the Coordinator of Inter-American Affairs was to be in a war agency category, with both powers and limitations developing out of the emergency conditions imposed by factors in existence preceding World War II and during the war years themselves. Justification for the creation of the Office for Coordination of Commercial and Cultural Relations between the American Republics was based on the danger of Axis aggression, and the orders establishing the agency and granting funds for its operation, derived from this idea. This was to be the point of view of the Department of State, with which the agency worked closely and whose approval was necessary in the case of all projects,<sup>1</sup> and in general those committees of Congress which considered agency appropriations, likewise had to be convinced of needs on the basis of national defense.

At the same time, the leaders of the Office themselves were motivated by knowledge of the dangers of the situation, and directed their best efforts toward hemisphere solidarity as an important phase of the national effort to survive in a total war. Under this assumption, the work of the agency became to them as important a part of that total war as a campaign or a battle — as the Coordinator told his executive staff three days after Pearl Harbor, members of the agency could feel that they were in the “first line of defense” and that there was no work more important, from the direct defense point of view, than the job that they were doing.<sup>2</sup> The efforts of Axis agents in the other American republics constituted a great and

definite danger, and the Office of the Coordinator of Inter-American Affairs developed its program with the major purpose of counteracting that threat through vigorous action along many lines.

Statements reflecting the idea of hemisphere defense as the major official tenet of the agency's philosophy were frequently made. In the original memorandum presented to the President by Mr. Rockefeller in the spring of 1940, the basic premise advanced was the need for defense of the United States against the threat of totalitarian aggression, for if the nation was to “maintain its security and its political and economic hemisphere position, it must take economic measures at once.”<sup>3</sup> At the same time, the defense idea was predicated upon the belief that security for the United States also required economic prosperity in the other American republics, and that this prosperity for the hemisphere must be attained through economic cooperation and the inter-dependence of the several republics.

In the order which created the Office for Coordination of Commercial and Cultural Relations between the American republics, hemisphere defense was also advanced as the primary and fundamental reason for the creation of the agency; the order likewise emphasized the need to “strengthen the bonds between the nations of the Western Hemisphere.”<sup>4</sup> The executive order which changed the name and widened the power of the Office a year later also listed hemisphere defense as its major responsibility, noting again the need to increase the “solidarity of this hemisphere” and further “the spirit of cooperation between the Americas in the interest of hemisphere defense.”<sup>5</sup> As actual open war approached, writers in the

<sup>1</sup> Inter-agency relations will be covered in later chapters.

<sup>2</sup> Memorandum giving paraphrase of talk to executive staff on Thursday, December 11, 1941, by Nelson A. Rockefeller.

<sup>3</sup> See chapter I for discussion.

<sup>4</sup> Order establishing the Office of Coordination of Commercial and Cultural Relations between the American Republics.

<sup>5</sup> Executive Order 8840 establishing the Office of the Coordinator of Inter-American Affairs.



agency changed their terminology a little in line with current trends: "economic defense and psychological defense" now became "economic warfare and psychological warfare,"<sup>6</sup> and at least one chart of the organization of the agency, made early in January, showed the divisions of the Office arranged under these two headings.<sup>7</sup>

The official stand of the agency in regard to its defense objective can also be traced in special reports of one kind or another, in the mimeographed summaries of its activities put out about once a year from 1941-44,<sup>8</sup> and in the budget estimates presented to Congress each spring in connection with hearings on appropriations for the coming fiscal year. In an early detailed report<sup>9</sup> on the program of the Office for Coordination of Commercial and Cultural Relations between the American Republics, prepared for presentation to the President, Mr. Rockefeller informed him specifically as to the objectives under which he planned to operate, separating them into three categories corresponding to the divisions of the agency as then set up.<sup>10</sup> He indicated objectives in regard to economic action as five: first, to extend direct financial aid to the American republics in amounts sufficient to preserve internal stability; second, to reduce foreign exchange requirements of the other American republics by adjustment of external debt services to accord with capacity to pay until further developmental activities should increase financial resources; third, to utilize the Inter-American Development Commission to stimulate commerce in the hemisphere, and to develop resources and assist desirable advances of industrialization in the other American republics; fourth, to secure adequate provision in regard to transportation facilities; and fifth, to harmonize the policy of those agencies of the United States which were concerned with hemisphere defense.

Mr. Rockefeller based his objectives in the field of cultural relations on the importance to national defense of the consolidation of peoples of the Western Hemisphere in a free bicontinental community. These involved the clearing away of mis-

<sup>6</sup> For example, see summary of the activities of the Office of the Coordinator of Inter-American Affairs, March 1, 1942.

<sup>7</sup> This chart showed the "psychological defense" wing of the Office as including press, radio, and motion pictures.

<sup>8</sup> The more important summaries were dated as follows: August 29, 1941; March 1, 1942; January 11, 1943; August 16, 1944.

<sup>9</sup> This memorandum, which was "in response to a request of the President expressed at a meeting of the Defense Commission," was undated, but from internal evidence, was prepared at some time before April 1941.

<sup>10</sup> These objectives were not to be carried out by CIAA alone, of course, but by all United States Agencies in the field.

apprehensions on the part of those who overemphasized elements in cultural differences rather than the possibility of promoting mutual understanding and sympathy. He felt that a second point was the necessity for the United States, with a greater wealth and a larger educated population, to find ways in which to render concrete aid in meeting needs and solving difficulties in the other American republics, while at the same time it was important to facilitate reception in the United States of cultural aids which Latin Americans could share with us. He placed as a third objective in this field the desire to promote a new conception of relations among governments, in which diplomacy was not exclusively concerned with legal and commercial problems but also would take into account the cultural problems of peoples under democratic institutions living in a dangerous period.

The objectives of the third department of the agency existing at that time, the Communications Division,<sup>11</sup> were also concerned with national defense and the strengthening of hemisphere bonds; first, to increase technical facilities of communication so as to attain mass coverage in the several countries; second, to add to the amount of material to be communicated and to improve its quality; and third, to utilize these resources for communication to counteract and offset the dissemination of ideas unfavorable to hemisphere defense, and to develop and spread ideas favorable to the interests of the United States together with those of the other American republics. At about this same time, a somewhat shorter memorandum prepared in response to request from the Department of State also summarized the objectives of the agency as well as its program and organization.

During the spring of 1941, a conference of staff leaders was held at Williamsburg, Va., March 22 to 24, 1941, at which these men considered the whole program and method of operation of the agency. A memorandum on the findings of the meeting summed up the "frame of reference" of the Office as one of concentration of its activity in that area contributing to the "single defense goal" and

<sup>11</sup> In a memorandum of February 28, 1941, to Under Secretary of State Sumner Welles, Mr. Rockefeller indicated the objectives of the Communications Division as: (1) to offset totalitarian propaganda in the other American republics; (2) to remove and correct sources of irritation and misunderstanding arising in this country — as when our motion pictures burlesque Central and South American characters; (3) to emphasize and focus public opinion on the elements making for unity among the Americas; (4) to increase knowledge and understanding of one another's ways of life; (5) to give greater expression to the forces of good will between the Americas, in line with the Good Neighbor Policy.

noted that while closeness to the Latin American picture enabled staff members to see "potential relationships and activities beyond the immediate objective," vigorous advocacy of Latin American interests at the time was justifiable only as it contributed to the major objective — "defense against the Axis, defeat of the Axis." The effort to hold the Latin American line was felt to be possibly the agency's ultimate and most direct effort in the war, for in the event of a British disaster, Latin America would be the "first line of defense," and in the meetings it was agreed that, particularly while the United States was building up capacity for military defense, it was essential that the economic defense of the hemisphere be assured. The staff also agreed that in its relations with other departments, the Office would stress the line of its activity as being "complementary to the single defense objective." This was thought to be especially necessary "lest in a revamping of the defense set-up, the Latin American area appear to be off the main course, with the resulting inclination to leave it to its own resources and to forget or abandon the Office." At this time it was also the opinion of members at the Williamsburg discussions that the agency should consider itself as of "emergency duration" although conceivably some of the activities might be continued thereafter.

The office at an early date emphasized hemisphere defense as the basic reason for its existence in presenting its budget estimates to Congress and in defending those estimates in appropriation subcommittee hearings. On January 17, 1941, almost a year before Pearl Harbor, Mr. Rockefeller, in testifying before the House Appropriations Committee, voiced the philosophy of the agency as follows:

The credo on which our entire effort is based is just this: The countries of this hemisphere are composed of free people and free people can and will find the right answers to their defense and salvation — whatever the challenge — if they are given the facts and an opportunity truthfully to understand and appreciate their mutual interest.

We are faced, as we see it, with a very serious aspect of the defense program. The front line is the aid-to-England program. The second line of defense is the hemisphere program. At the present time it is not on a military basis, but we are faced with an economic defense problem and with a psychological defense problem as against propaganda from abroad controlled by Axis groups.<sup>12</sup>

Earlier in his testimony the Coordinator noted that since the creation of the Office,

<sup>12</sup> See Hearings, H.R., *Second Deficiency Appropriation Bill, 1941*, p. 688.

its primary concern has been the maintenance of the economic stability of the other American republics and the promotion of hemisphere solidarity in the interest of national defense. Economic stability and internal unity are basic to the preservation of political independence. This is the common sense of hemisphere defense. Without economic stability and political independence, without a sense of security, the nations of the hemisphere will not be able to withstand the flood of insidious Axis propaganda that has swept over the entire hemisphere. This intellectual imperialism of ideas, is at the moment just as serious a threat to the security and defense of the hemisphere as the possibility of a military invasion.<sup>13</sup>

During the remainder of the prewar period, the same emphasis upon hemisphere defense appeared in reports, in written articles, and in the speeches of the Coordinator.<sup>14</sup> With the coming of the war in December, 1941, the pressure of events increased; as Mr. Rockefeller emphasized in his talk to the executive staff on December 11, the agency was now fully engaged in its portion of a total war in which he likened the military aspects of the struggle to the three-tenths of an iceberg which sticks out of the water, while the much larger remainder represented the economic and political aspects, much less visible or dramatic, but even more important than the campaigns and battles.

The philosophy of the agency in regard to its function of hemisphere defense was voiced almost continuously by members of the agency during the war. In regard to budget justifications, the idea was regularly presented, as, for example, in that for the fiscal year 1943, in which the major objective of the agency was again stated to be "to build a strong and positive unity between all nations of the Western Hemisphere in order that they may successfully carry the war by the United Nations against Axis aggression to victory." In the same document it was noted that "when the United States was drawn into actual conflict, the Office made a quick transition from a peacetime to a wartime organization. A coordination program for hemisphere defense became overnight one for hemisphere warfare."<sup>15</sup> The importance of hemisphere solidarity to the war was reiterated:

The significance of the objective and the problems can be interpreted in military and economic terms. The other American republics are a vital flank of the United States, the strongest and most powerful member of the hemisphere.

<sup>13</sup> *Ibid.*, p. 684.

<sup>14</sup> For example, Mr. Rockefeller's address before the New York Herald Tribune Forum in New York City on October 23, 1940; his address to the New York City League of Women Voters on February 8, 1941; his talk to the Graduating Class of the Sixteenth Session of the National Police Academy, F. B. I., in Washington, D. C., on March 29, 1941.

<sup>15</sup> *Hearings, H.R., 1943*, pp. 559 and 560.

This country must have confirmed allies defending that flank. Should the Axis establish an effective bridgehead for operations in any one of the other republics, the vulnerability of that flank and of such vital points as the Panama Canal is all too clear. The other American republics are also a vital source of the materials of war. We must have confirmed allies who will produce those materials and who will help us make the weapons of modern warfare. It is not only the leaders who must be out confirmed friends. War today is a total war, and unless the people themselves will fight, there will be no real protection against Axis infiltration or invasion. There must be full cooperation between all of the people of the 21 republics of this hemisphere.

A year later the budget estimate for the 1944 fiscal year described in the same words the objective of the Office of the Coordinator of Inter-American Affairs,<sup>16</sup> and in the spring of 1944 the same phrases were used still again.<sup>17</sup> In presenting the proposed budget for 1946, although the campaigns of the war had lessened the military threat to the Western Hemisphere to a great degree, its defense was still listed as a leading factor in the agency's program.

Probably the most specific application of the hemisphere defense idea to the work of the Office is to be found in a mimeographed memorandum<sup>18</sup> distributed within the agency in the spring of 1942, in which this philosophy was connected specifically with the operations of each division. The "general strategy" of the Office was to be based upon the primary consideration that the United States needed the support of Latin America for (a) military reasons — Latin America was the right flank in the present struggle — and (b) economic reasons — raw materials were needed to carry out the war effort. In view of this need, in order to secure the immediate support of Latin America, each individual there must be brought to believe the "United States credo" and must not believe the "Axis credo." The "United States credo" included an expression that the best interests of the citizen of the other American republics were linked with the United States because of its way of life and because of the Good Neighborhood Policy and hemisphere solidarity; through these he was acquiring for himself and his children a better standard of living, greater personal security, and

more individual freedom. The "Axis credo" on the other hand presented a threat of world domination and subjugation and oppression for the Latin American nations. The program involved making clear to the citizens of the other American republics the existence of those factors which would enable the United States to win the war even though it was admittedly a difficult struggle, emphasizing in this regard the strength of the United States industry, agriculture, manpower, military forces and supplies, and high morale. The memorandum then continued by pointing out the exact ways in which each division of the agency could further the program to increase solidarity in the hemisphere and thereby achieve victory in the world conflict.<sup>19</sup>

The Coordinator and his assistants had other aims beyond the objective of hemisphere defense, which was by its nature one which would largely end with the war, even though factors beyond their control forced emphasis on long-range activities into the background. This portion of the program was concerned with improvement on a permanent basis of commercial, economic, and social conditions in the other American republics.<sup>20</sup> In the memorandum which was sent to President Roosevelt in 1940, the inference that the program should be enduring is definitely present, and there is little doubt that even before this time Mr. Rockefeller and his associates had become interested in a continuing effort to improve the standards of life in Latin America.<sup>21</sup> As has been noted above, in the two orders granting the agency its authority and assigning its responsibilities the long-term objective is present, though rather by inference, in such phrases as: "to strengthen the bonds between the nations of the Western Hemisphere" and "further the commercial well-being of the Western Hemisphere." A summary of the activities of the Office printed in August, 1941, noted that in the work of all of the divisions of the Office there were "two considerations; first, the emergency aspect, and second, the long-term aspect," and another put out about November of the same year stated that it had been the "con-

<sup>16</sup> Budget Estimate submitted to the Bureau of the Budget by the Office of the Coordinator of Inter-American Affairs for the fiscal year 1944, p. 21. Hereinafter these estimates will be cited as "Budget Est . . ." with the appropriate year indicated.

<sup>17</sup> Budget Est., 1945, p. 16.

<sup>18</sup> This memorandum was drawn up by Leonard W. Doob, former Princeton University instructor in the public opinion field and at this time in charge of a propaganda analysis unit of the agency. On the draft of the memorandum which was called "Philosophy and Organization of the Office of the Coordinator of Inter-American Affairs" was the transmittal letter from Mr. Doob to Mr. Rockefeller dated May 11, 1942.

<sup>19</sup> In this memorandum "propaganda" was used in connection with the work of the agency as a technical term; the writers of the Office normally used the term "information" because of the desire to get away from the insidious connotation of the former term and the feeling that "information" better represented the emphasis upon factual basis in the agency's programs.

<sup>20</sup> The specific objectives in regard to long-range activities will be discussed in more detail in later chapters dealing with operations.

<sup>21</sup> See chapter I, also Geoffrey T. Hellman, "Best Neighbor: Nelson A. Rockefeller," New Yorker, April 18, 1942, Life, April 27, 1942.

stant aim of the Office to integrate short-term emergency measures with plans for long-range development." The report to the President on the program of OCCCRBAR early in 1941, mentioned above, was concerned with long-range problems as well as defense. Even in the moments after the Japanese attack on Pearl Harbor the Coordinator bore in mind the permanent improvement of conditions in the Hemisphere, for when on December 11 he emphasized to his staff that they were in the front line of defense, he also said:

"What gives me personal satisfaction is that we are not only engaged in defense warfare, but we are engaged in something which goes beyond that to the postwar period—that we are working on something positive for the future and that we are not just consecrating our lives to destruction."

The Summary of Activities put out in 1942, 1943, and 1944, noted that the purpose of the Office was not only to meet defense needs, but with the other American nations to plan jointly for a sound postwar structure and to work for the solution of common problems in economic and social fields.

In the various budget estimates, the long-range objectives of the agency are brought in, but are definitely subordinated to the major purpose of hemisphere defense. In the estimate presented in the spring of 1942 for the following year, the aim of the agency was said to be to build a strong and positive unity between the American nations not only for defense reasons, but also in order that they may "work jointly toward sound world reconstruction." The following year the objective of a unified hemisphere effort toward sound world reconstruction was again emphasized, and it was held that until all the people of the hemisphere knew and understood one another and their mutual problems, the inter-American program would be incomplete. In 1944, the objective of the agency in regard to more permanent achievements was presented in almost the same words. In testimony before committees on Appropriations, Mr. Rockefeller also brought out the significance of the agency program not only from the point of view of immediate production and military support, but also from the "point of view of laying foundations for economic development and the expansion of markets based on a rising standard of living" after the war.<sup>22</sup> At this time (1944) the Office was presenting a new program in the field of education and Mr. Rockefeller, in connection with this proposal, stated his belief that "if this inter-American

program is going to be something other than a passing phase, if it is going to be something of importance and permanence, we have to see to it that the philosophy and the point of view is a continuing one." At another point, in answer to a question as to whether the start of the agency's program was not primarily to secure unified defense of the hemisphere, Mr. Rockefeller used the following words:

To be perfectly honest, the program was started back in 1940, a year and a half before this country was attacked at Pearl Harbor, and the original objectives of the program were to secure the cooperation and collaboration of the American republics in increasing the general welfare of the peoples of these countries and the people of the United States.

The limitations imposed on the Office of the Coordinator of Inter-American Affairs in regard to its long-range program were based largely upon interpretations of its functions made by the Department of State Secretary Cordell Hull, with reasons which are quite clear and which were voiced officially on several occasions.<sup>23</sup> For example, in connection with the hearings on the First Supplemental National Defense Appropriation Bill for 1943, Secretary of State Hull noted the point of view of the Department in the following words:

In considering this budget, the Department has had in mind the importance of maintaining a long-range viewpoint with respect to our relations with the other American republics. During the last war many activities were initiated by our Government to improve relations with these countries. The almost complete cessation of these activities following the termination of the war raised doubts which have persisted to this day as to the bona fide character of our real interest. It would be a calamity if this same experience were now to be repeated, particularly in view of the notable progress that has been made under the good-neighbor policy.

I therefore have considerable reserve regarding the desirability of this Government undertaking activities of a continuing nature unless there is reasonable assurance that funds, public or private, will be available to carry on these activities once the present emergency has terminated and special appropriations are no longer available. This consideration applies to any appropriations for inter-American projects that involve financial obligations for activities which in the eyes of the other American republics appear to warrant continued support as contrasted with emergency assistance.<sup>24</sup>

In the same letter he emphasized that every project of the Office of the Coordinator of Inter-American Affairs would be examined and passed upon by the State Department.

In the following year in connection with fiscal hearings, Secretary Hull again wrote:

<sup>22</sup> Relations between the Office and the Department of State are further discussed in chapter 15.

<sup>23</sup> Cordell Hull to Clarence Cannon, Chairman, House Committee on Appropriations, June 6, 1942, cited in *ibid.*, p. 564.

<sup>22</sup> *Hearings, H.R., 1944*, pt. 1, pp. 140-1.

. . . It is my belief that the Coordinator's activities, judiciously and prudently carried out, can make a contribution toward the maintenance of a state of affairs which has been of great value in our own war effort. It is the Department's view, and its view is believed to be shared by the Coordinator, that it is highly important from the standpoint of continuing our good relations with the other American republics to insure an orderly adjustment of extensive emergency programs to a permanent peacetime basis, in order to avoid the serious political reactions inimical to the national interests which might be encountered should emergency programs come to an abrupt halt or drastic curtailment, precipitously. To that end, the Coordinator has been informed that he will have the support of the Department of State, and that emphasis should be placed on the continuance of activities necessary to the war effort, particularly the program of emergency rehabilitation to meet serious economic dislocations. The Department will also support the Coordinator's request for funds necessary to bring to an orderly conclusion the programs of health and sanitation entered into cooperatively with governments of the other American republics and to permit adjustment and continuance of other emergency programs on a basis which will warrant and assure the continued support of the Congress when victory is won.<sup>25</sup>

Much the same opinion was expressed by Mr. Hull in the spring of 1944 when he again wrote to the Chairman of the House Appropriations Committee in support of the budget proposed by the Office of the Coordinator of Inter-American Affairs. At this time he again noted his concern with the postwar program, in the following words:

I have expressed to you in past years my concern that the expanded programs of this Government in the international field be adjusted in an orderly manner to a long-range basis of operation when the special requirements of the war no longer exist. This concern is shared by Mr. Rockefeller, and he has informed me that it is his purpose during the coming fiscal year to make plans for the ultimate distribution at the proper time of the functions of this office in accordance with the long-range objectives of our foreign policy. I endorse this decision of Mr. Rockefeller, and the Department of State, will, of course, be glad to collaborate with his office in the execution of his purpose.<sup>26</sup>

By 1944, also, the State Department and the agency had made a specific division of activities in the cultural field, with the Cultural Division of the State Department taking over those programs which could be carried on logically on a continuing basis. The policy of the Office of the Coordinator of Inter-American Affairs was specifically stated to be to confine its activities to more temporary and emergency programs.<sup>27</sup>

This point of view is indicated many times during Secretary Hull's incumbency in correspond-

<sup>25</sup> Cordell Hull to Clarence Cannon, Chairman of the House Appropriations Committee, April 17, 1943, cited in *Hearings, H.R., 1944*, pt. 1, p. 161.

<sup>26</sup> Cordell Hull to Clarence Cannon, April 13, 1944, cited in *Hearings, H.R., 1945*, pt. 1, pp. 923-4.

<sup>27</sup> *Hearings, H.R. 1944*, pt. 1, p. 179.

ence between the two departments concerning the initiation of specific projects. The general attitude of the State Department, that a Government agency was not the proper vehicle for carrying out a long-term cultural relations program, is sufficiently illustrated by a letter of June 3, 1943, which considered the general long-term cultural relations program:

In view of the problems involved in several recent projects of your Office which have come to my attention I am writing to set forth the Department's views as to the use of Government funds for stimulating long-term cultural relations programs.

At this time of war emergency and the attendant intensified drive to increase the cultural ties between this country and the other American republics, there are being started many cultural relations programs which are, by nature, long-term and permanent in character. It is manifestly desirable that programs of this sort should not come to an end at the conclusion of the war. Should they do so the entire cultural relations program of this Government would be thrown into the unfavorable light of a mere vehicle for obtaining the good will of our neighbors in time of emergency. For this reason the Department believes it highly desirable that in undertaking any arrangements with educational institutions, and any other cultural organizations of a permanent value through other than Governmental funds. It would seem quite proper that Government funds should be used to initiate such programs if the continuance of financial support by the institutions concerned is assured within a reasonable length of time.

It is, of course, thoroughly recognized that there are cultural programs of a temporary character which need last only during the emergency. For such projects it would seem entirely proper that the total expense be provided by Government funds.<sup>28</sup>

As early as the spring of 1943 there is evidence that the Coordinator realized the difficulties of carrying out a long-term program under the auspices of the Office of the Coordinator of Inter-American Affairs itself, in spite of the fact that such activities were held to be an important part of United States policy. At this time Mr. Rockefeller discussed with Under Secretary of State Sumner Welles the necessity for looking ahead to that time when "future needs and conditions might make it necessary to have new facilities and organizational arrangements for handling many of the activities"<sup>29</sup> being carried on at the time by the Office of the Coordinator of Inter-American Affairs, and that the long-range program should not be endangered when that Office itself went out of existence. Certain of these activities could and should be taken over by permanent Government agencies; however, Mr. Rockefeller

<sup>28</sup> Letter to Mr. Rockefeller from Laurence Duggan, Adviser on Political Relations for the State Department, June 3, 1942.

<sup>29</sup> Nelson Rockefeller to Sumner Welles, May 17, 1943. Postwar planning on inter-American activities by the Office will be covered in a later chapter.

noted that Mr. Welles in previous discussions had emphasized that continuance of many activities in the "inevitable period of retrenchment following the war" would depend upon greater participation by responsible private interests and agencies in the inter-American program. Economic and commercial activity, the Coordinator thought, might well be entrusted to the Inter-American Development Commission. Likewise the health and sanitation program was assured future continuity by the organization of the Institute of Inter-American Affairs. Plans in the making at this time were to care for other parts of the program by the organization of separate corporations to carry on information activities and those in the basic educational field.<sup>30</sup>

During succeeding years the leaders of the Office accepted the idea of peacetime liquidation of CIAA and carried forward their plans for continuance of long-range activities by the corporations formed by the agency, by permanent Government departments, and by private organizations. In telling the House Appropriations Subcommittee holding hearings on budget estimates of plans for the future program, Mr. Rockefeller in 1944 included in the record a letter to the Secretary of State in which he expressed the need for a program to carry on into the peacetime period. He noted that there had been ". . . a growing feeling in many of the other American republics that this country does not intend to continue the Good Neighbor Policy after the war . . ." In view of this fact, it was the intention of the Office to make arrangements consistent with the war effort for the "permanent handling of the long-term aspects of the program by established Governmental and private agencies, in accordance with the long-range objectives of our foreign policy,"<sup>31</sup> indicating also that activities related to the war effort would be tapered off as conditions warranted.

At a later point in the same Committee hearings, Mr. Rockefeller again indicated certain activities should be continued under permanent agencies:

Our policy is to continue as long as necessary the activities which are essential to the war and then to taper them off with as little dislocation as possible. Other activities which should be made a part of the permanent program of this Government, we hope to place in permanent government agencies and thereby be in a position, as rapidly as commensurate

<sup>30</sup> The former never came into existence, but the Inter-American Educational Foundation was created to carry out the education program.

<sup>31</sup> *Hearings, H.R., 1945*, pt. 1, pp. 922-3. As noted earlier, Secretary Hull endorsed this policy (*ibid.*, 923-4).

with the best interests from the point of view of all to liquidate the agency, if that is the will of the President and the Congress.<sup>32</sup>

A few moments later, in answer to a direct question as to whether he thought the Office might well be liquidated after the war was over, he said: "When the war is brought to a successful termination, it would be my hope that our agency would also be brought to a successful termination." He emphasized, however, that this should not be done before continuity of the long-range aspects of the program were assured.

At the same time that the Coordinator was being forced to consider the agency only as a wartime organization, some operations were thought of in terms of a longer program. This was logical, of course, so long as the corporations which had been or might be created had the possibility of existence beyond the life of the parent agency. Major General George C. Dunham, in charge of the health and sanitation program viewed it as impossible to set a short-time limit on the work of this division.<sup>33</sup> In the budget estimates for the fiscal year 1945, long-term objectives are clearly present in parts of the agency's program. Under the section devoted to the Basic Economy Department, the objectives of the Health and Sanitation Division were segregated into four fields as follows:

(1) *Military*. To improve health conditions in strategic areas particularly with relation to the requirements of our armed forces and those of our other American Allies;

(2) *Political*. To carry out the obligations of this Government with relation to the health and sanitation program assumed by it under Resolution 30 in the Rio Conference of January 15-28, 1942;

(3) *Productive*. To make possible increased production of strategic materials in areas where bad health conditions exist;

(4) *Morale*. To demonstrate by deeds as well as words the tangible benefits of democracy in action and to win active support of the civilian population.

The long-term objective of raising the standard of public health practices is a natural corollary of the emergency aims which cannot be overlooked even in wartime, due to the importance of the continued relations in the postwar period.

In this same department, however, the food supply program was indicated as particularly applying to defense needs. The major objective of the Economic Development Department was stated to be:

<sup>32</sup> *Hearings, H.R., 1945*, pt. 1, p. 938. He did include an "escape clause" — "if it were the will of the President and Congress."

<sup>33</sup> George C. Dunham to John C. McClintock, January 23, 1943: "In no instances have we ever considered that there would be any time limit on the work we are doing in any of the Latin American countries. Certainly, it would be impracticable if not impossible to carry out our program in most of these countries within a two-year period."

. . . to cooperate in accordance with the foreign policy of the United States with the other American Republics in the sound economic development of certain of those countries in the best interests of the United States and the other American Republics.

In achieving the general objective the Department of Economic Development seeks to assist the other American Republics in the economic development of their natural resources and in the conservation of those resources. It seeks to render technical assistance in the increasing of industrialization among certain of the other American Republics along sound economic lines, toward the end that greater productivity shall ensue, with a consequent rise in the purchasing power of these countries. It seeks to remove barriers to trade and commerce, to improve and enlarge markets for United States' goods, and to make possible a greater flow of necessary raw materials to the United States. Likewise the objectives of the Education Division were predicated almost entirely upon a program only indirectly connected with immediate defense needs:

1. To cement inter-American relations upon a basis of the fullest mutual understanding among all the peoples of the hemisphere.
2. To aid in the improvement of the economic and physical conditions of the national populations with education considered a factor essential to improve the standard of living and the expansion of industrial activities through training personnel.
3. To implement the recommendations of various inter-American conferences at which adoption of cooperative measures to develop and improve the educational systems of the Americas were accepted.<sup>34</sup>

By the time the Office of Inter-American Affairs was ready to present its budget estimates in the spring of 1945, changes in the political situation within the administration would seem to have revived a hope that the long-time objectives which had been held by leaders in the agency might be carried on without the termination of the agency. Secretary of State Hull had now retired and his place had been taken by Edward R. Stettinius. Even more significant, Mr. Rockefeller himself had been appointed Assistant Secretary of State, in charge of inter-American affairs.<sup>35</sup> For this reason, when the agency presented its budget estimates for 1946, quite naturally there was an emphasis upon long-term objectives; likewise, of course, defense needs now were less acute. The divisions of information, such as motion pictures, radio, and press and publications, now recommended the continuation of their programs on

<sup>34</sup> Budget Est., 1945, pp. 76-7.

<sup>35</sup> A memorandum circulated by Wallace K. Harrison as Deputy Coordinator to all members of the Office shortly after the appointment of Mr. Rockefeller noted that it was a definite endorsement of the CIAA program, and that the work of the agency was considered one of the most important jobs for the war and the peace. It also emphasized the need for preparation for the postwar period.

the basis of insuring continued solidarity among the American republics and the promotion of greater understanding of mutual problems arising out of current military, political, and economic developments. As before, the program of the Education Division was based upon the need to improve economic and physical conditions in the hemisphere, to cement inter-American relations upon the fullest possible mutual understanding and to implement recommendations upon education made by various inter-American bodies. The Basic Economy Department stated that one of its objectives was to cooperate in solving important health and sanitation problems and the improving of food supply and agricultural practices, essential to the economic development of the Western Hemisphere, while the Department of Transportation and Economic Development also based its proposed program upon long-range objectives in the fields indicated by its title.

Hopes for a possible continuation of the life of the agency appear definitely in testimony before the Congressional Committee which held hearings on the 1946 Appropriation Bill. Members questioned officials of the Office carefully on needs for the coming year, in view of the expected end of the war within a reasonably short time, with one member<sup>36</sup> specifically directing attention to Mr. Rockefeller's testimony of the year before which had indicated that liquidation of the agency was contemplated, and asked whether in view of this it was justifiable to extend operations beyond the period of the emergency. Mr. Wallace K. Harrison, now Director of the Office,<sup>37</sup> stated that some assumptions made in 1945, notably the idea that private enterprise could immediately take over many functions of the inter-American program, had needed to be altered and that the proposed expenditures were essential to finish out the work until such time as the permanent objectives could be assumed by other agencies.<sup>38</sup> He also called attention to the fact that Mr. Rockefeller had qualified his testimony in 1944 by indicating that liquidation of the agency would be necessary only if that were the will of the President and Congress. Mr. Rockefeller, now Assistant Secretary of State, was present at the hearings and noted that the Department of State was studying general questions in regard to future relations of the United

<sup>36</sup> Representative R. B. Wigglesworth (R., Mass.).

<sup>37</sup> The agency was now entitled the Office of Inter-American Affairs.

<sup>38</sup> *Hearings, H.R., 1946*, p. 503.

States with the other American republics, and that "we may come back at some later date with recommendations regarding the carrying on of a new program on certain of these activities, because of the future importance of the relations of this country to the peoples of other countries. I wanted to make that statement for the record."

The letter submitted as usual by the head of the Department of State in connection with the budget of the Office also indicated the new point of view, by including a statement that the Department of State had now considered the importance of maintaining a long-range viewpoint with respect to our relations with the other American republics,<sup>39</sup> and noted that it would be most unfortunate if a complete cessation of activities in the other American republics should occur following the end of the war.<sup>40</sup>

The renewed hope that the Office of Inter-American Affairs might survive as a permanent agency was to fade with political changes occurring during the following year, and with the attitude of Congress that war agencies should be liquidated as rapidly as possible. Mr. Stettinius was succeeded by James Byrnes as Secretary of State, and Mr. Rockefeller resigned his post on August 25, 1945. The first step in the projected transfer of functions of the Office to the permanent departments was speeded when a week later information operations of the agency were transferred to Interim Information Service of the State Department by executive order. Shortly afterward plans were started to merge the remainder of the Office under the Institute of Inter-American Affairs, under direction of the Department of State.

In order to attain the major objectives which have been indicated, operating policies in regard to functioning of the agency were likewise developed from the various orders and legislative acts, to be shaped by circumstances as the war developed. The formation of the agency was based upon the idea of coordination of all activities in the hemisphere. The original memorandum submitted to President Roosevelt in June 1940 emphasized the need to integrate private and Governmental programs, and the findings of the first Inter-Departmental Committee, set up also in June 1940 to study proposals, noted the need for "immediate creation of effective means of formulating policies

and of coordinating the work of existing and proposed operating agencies."<sup>41</sup> President Roosevelt in a letter of April 22, 1941, likewise noted that it was his thought in the establishment of the OCCCRBAR that such an office was especially desirable as a "coordinating organ" for certain emergency measures rendered advisable by the course of events since the outbreak of the war.<sup>42</sup> This coordinating function is repeatedly listed in earlier years as a major one for the Office. In testimony before the Congressional Committee on December 10, 1941,<sup>43</sup> Mr. Rockefeller declared:

We are strictly coordinators to begin with. That is, to be in touch with all activities of the Government on these various fronts, whether it is economic, or psychological; in touch with the military, although their operations are carried on distinctly on their own, but constantly in reference to the activities in the other fronts, and we are the ones who keep them informed on that level. Therefore, to keep a concise program, to avoid just the very thing that the chairman said, that is, different departments doing different things, or similar things, which overlap, that is the No. 1 function.

Summaries of activities produced in 1941 and 1942 usually stated that the primary function of the Office was coordination of the activities of public and private agencies interested in inter-American relations. A memorandum of May 6, 1942,<sup>44</sup> broke down this function of coordination into the following factors:

. . . participating in shaping policies and determining objectives; close collaboration with every department and agency concerned with Latin American affairs and intimate knowledge of their day-to-day activities and plans for future activities; surveying the entire Latin American field and determining what needs to be done to carry out our governmental policies, whether it is all being done and, if so, how well, and whether conflicts or overlapping exists; recommending bolstering where needed; settling questions of jurisdiction where conflict or overlapping exists; formulating plans for activities in fields not covered and fixing the responsibility therefor.

The Coordinator himself, in a memorandum of March 25, 1942, described the position of the agency in regard to overall hemisphere activities as follows:

Because of the functional organization of the Federal Government, and of the characteristic activities or private agencies, each in its own field, specific organization is necessary to achieve a common program and common understanding of program with respect to the Hemisphere.

Information and correlation with respect to these various

<sup>39</sup> Report of the committee, July 3, 1940 (see Chapter I).

<sup>40</sup> President Franklin D. Roosevelt to Nelson A. Rockefeller, April 22, 1941.

<sup>41</sup> *Hearings, H.R., 1942*, pt. 1, p. 290.

<sup>42</sup> Memorandum from Creswell M. Micou to Nelson A. Rockefeller, May 6, 1942. Mr. Micou was Director of the Development and Liaison Division in the Commercial and Financial Department.

<sup>39</sup> *Ibid.*, p. 565.

<sup>40</sup> Joseph C. Grew, Acting Secretary of State to Clarence Cannon, Chairman of the House Appropriations Committee, April 28, 1945, in *ibid.*, pp. 582-3. The letter was drafted by Secretary of State Stettinius, absent from Washington at the time.



activities must be cleared through a single agency and this agency has been created as the Coordinator of Inter-American Affairs.

In addition to these functions of clearance and coordination, many activities develop from time to time which must be carried on for which there is no existing administrative agency, public or private. It is the function of the Coordinator to assume responsibility for these activities, to develop them and to carry them on until such time as an adequate administrative agency is formed to assume responsibility for them.<sup>45</sup>

While the function of coordination was frequently mentioned in early statements on the objectives of the agency, the method by which it was to be done was seldom specified. One description of the carrying out of the idea of correlating activities in the field reads as follows:

In addition to administering the program of his Office, the Coordinator's responsibility to integrate the Government's activities in the field of inter-American commercial and cultural relations is carried out through: (1) attendance at the President's weekly conference with the seven members of the Advisory Commission to the Council of National Defense and the other two defense coordinators, (2) chairmanship of the Inter-Departmental Committee on Inter-American Affairs, which Committee meets weekly, and (3) personal liaison established with departments and agencies of the Government interested in hemisphere relations.<sup>46</sup>

Although some members of the Office at first felt that the agency should limit its work to coordination and keep actual operations in the field at a minimum,<sup>47</sup> as time passed practical considerations tended to increase the emphasis on operations and decrease that on coordination. The position of the Department of State as being responsible for the conduct of the foreign relations of the country made it essentially the organ for determination of major policy matters; as President Roosevelt himself noted, it was

... essential that the Secretary of State be apprised of all Governmental undertakings, whether carried on directly by Governmental agencies or indirectly through private agencies, relating to foreign countries . . . This centralization of responsibility is of the utmost urgency today.<sup>48</sup>

In this same letter, the President instructed the Coordinator to make arrangements that all projects initiated by his Office should be

... discussed fully with, and approved by the Department of State, and a full meeting of minds obtained before action is undertaken or commitments are made. The Department of State has been instructed to give prompt and careful attention to any matters submitted by your Office for coordination.

<sup>45</sup> Nelson A. Rockefeller to Carl B. Spaeth.

<sup>46</sup> Analysis of Budget Request for the Fiscal Year Ending June 30, 1942, p. 4.

<sup>47</sup> This was the view expressed in the Micou memorandum previously mentioned.

<sup>48</sup> President Franklin D. Roosevelt to Nelson A. Rockefeller, April 22, 1941.

In regard to overlapping of functions in hemisphere activities, the Bureau of the Budget logically proved to be the organization in the best position to prevent duplication of activities. By December, 1942, in a study made by Mark M. Jones, a consultant employed to consider reorganization of the entire agency, the investigator reached the conclusion that

... the pressing need to initiate operating activities in areas not being served by other governmental agencies has naturally emphasized attention on the part of the Office of the Coordinator to the conduct of a program of activities more than to coordination of inter-American affairs.<sup>49</sup>

Budget estimates from 1943 on are very largely concerned with activities of operating units and with an administrative set-up to supply their needs, and hearings before the committees of Congress in later years also largely deal with proposals for field operations.

It should also be observed that the function of coordination was carried out by CIAA on a varying basis. In the commercial and financial field the Coordinator had much to do in bringing together interested government agencies for a program or activities, as illustrated by his part in such operations as the elimination of Axis airlines in the other American republics or in working out a priority system to protect Latin America in regard to essential needs. Also in this area CIAA did much to coordinate the operations of private groups either among themselves or for cooperation with other agencies and departments, and this type of activity was carried on through much of the life of the Office. In other fields, however, the tendency was more toward operation by the agency itself.

The fact that coordination was becoming of less importance than operations is possibly indicated also by the failure of the Inter-Departmental Committee on Inter-American Affairs to function as an active and successful body. By its nature this Committee should have been the central organ in working out the coordination of activities in the hemisphere. In the order creating the Office for Coordination of Commercial and Cultural Relations between the American Republics, it was set up as a general inter-departmental committee and the Coordinator only served as its chairman. A year later, in the order establishing the Office of the Coordinator of Inter-American Affairs, the

<sup>49</sup> Reorganization Proposals, Office of the Coordinator of Inter-American Affairs, by Mark M. Jones, p. 2. At least one official (Mr. Joseph Rovensky), in commenting on this memorandum, disagreed with the conclusion that the coordination function was now subordinated.

Committee became a part of the Office rather than one equally representing other governmental agencies. Even by this time the work of the Committee had become of less significance, and by September 1941, the meetings themselves were quietly discontinued. The lessening of emphasis upon the coordinating function is also indicated by the working out of specific agreements as to the field of operations in which the Office would function in relationship to other governmental agencies;<sup>50</sup> for example, an agreement with the Foreign Economic Administration in August 1944, clearly indicated that the two organizations were really carrying on as operating agencies.

While considerations of the need to centralize foreign policy in the Department of State (and probably considerations of bureaucratic necessity as well) made that part of the coordinating function concerned with clearance and centralization of activity less a duty of the Office than had been originally intended, that is not to say that the Coordinator did not keep himself informed as well as possible of developments in the entire field. On occasion he could and did suggest activities which would meet some need in the hemisphere picture to other agencies of the government, either through his membership on various inter-departmental committees or by direct conference with heads of the agencies concerned. The agency made every effort to see that the inter-American program was rounded out as needed; in the Williamsburg meeting of staff officers mentioned earlier, the primary function of the Office was said to be to act primarily as a "catalytic force," with this justified by its concentration on a single area. This catalytic function is also noted in hearings of testimony before Congressional Committees, with the Coordinator placing it as the second (after coordination) in importance for the Office in these words: "The second function is to recommend to departments of the Government activities that they could carry on to supplement the existing program in the interests of defense."<sup>51</sup> According to this same testimony, the third function of the agency was direct operation; that is, if no other agency could be found to undertake the work, then the Office of the Coordinator of Inter-American Affairs should itself set up some mechanism to carry it out.<sup>52</sup> Not only was it impossible in some cases for any other agency to undertake a particu-

lar job, but also at times it was recognized that it was inadvisable for a particular activity to be undertaken by an existing agency.<sup>53</sup> In many cases CIAA supplied all or part of the funds necessary for another department to carry out a proposed plan of action such as, for example, transfer of funds to the State Department for the purchasing of books and cultural materials, the dispatch of a cattle expert for Brazil by the Department of Agriculture, or advancing money to pay expenses of a Children's Bureau consultant in Paraguay under the auspices of the Department of Labor.<sup>54</sup> In the same way, the Office served as a stimulator of activities by universities, philanthropic foundations, and business concerns in the field of private enterprise. In most cases the Office preferred to work through such existing public and private agencies, or through organizations created under its auspices for a specific program.

One other quality which the Office embodied in its philosophy as an important characteristic both in carrying out direct operations and in recommending activities to other agencies, was that of freedom and maneuverability. This fluid nature — which makes it exceedingly difficult to describe the organization of the Office in exact terms — was described by Mr. Rockefeller to officials of the Bureau of the Budget in 1943 in the following words:

. . . I think quite frankly, that the reason our Office is still in existence today is simply because we have been sensitive to changing conditions and changing problems and we have tried to evolve our own organization to keep ahead of the situation.<sup>55</sup>

Turning to consideration of the authority under which the Coordinator of Inter-American Affairs carried out his operations, powers were derived basically from certain executive orders and from appropriation bills and other Congressional legislation.

<sup>50</sup> As one memorandum noted, the traditional policy of the Department of State was to avoid acting on behalf of particular nationals, either individuals or companies, as distinguished from acting on behalf of a particular group of nationals affected by the action of foreign governments, and conversely it dealt with foreign nationals only through their respective foreign officers of their governments. During the war period, however, it became evident that the existence of a "semi-official rather than an official arm of the United States Government," which could commit an error without its becoming an essential point in national policy, could serve a useful function and this memorandum held that the work of CIAA in education, information, basic economy, and economic development had been carried out with far less resultant suspicion than if handled by the permanent operating departments (memorandum, Micou to Rockefeller, May 6, 1942).

<sup>51</sup> A recapitulation of CIAA activities transferred to other agencies, dated April 13, 1944, listed 14 activities or projects involving several millions of dollars of appropriations so handled.

<sup>52</sup> Minutes of meeting between officials of the Bureau of the Budget and CIAA, October 8, 1943. Much the same sentiment was expressed by leaders of the agency to the writer in various interviews.

<sup>50</sup> Specific relationships with other agencies are treated in later chapters.

<sup>51</sup> *Hearings, H.R., 1942*, pt. 1, p. 290.

<sup>52</sup> *Id.*

The authority of the Council of National Defense, under which the agency was first created, was derived from the Act of August 29, 1916, (39 Stat. 649) which established the Council itself and empowered it to create subordinate bodies, particularly for fact-finding purposes. Under this Act, the powers of these subordinate agencies were concerned with the gathering of information and the making of recommendations, rather than on affirmative action.<sup>56</sup> However, the Military and Naval Appropriation Acts of 1940 from which the agency was granted its first funds by inference gave the President powers to meet emergencies affecting the national security through "appropriate" agencies of the Government, and in this sense, the Office could be considered a proper one to carry out programs as well as to gather information in the field.

When in 1941 the agency desired to change its name and to clarify the powers granted to it, the Bureau of the Budget ruled that the President had inherent power to create divisions of his Executive Office in the form followed in the proposed order which would place CIAA under the Office for Emergency Management. The only specific statute which at this time could be considered applicable was the Reorganization Act of 1939, but the Bureau of the Budget did not rely upon it as a source of power for this particular purpose.<sup>57</sup> In a letter from Harold D. Smith to the President on June 30, 1941, recommending the creation of the Office of the Coordinator of Inter-American Affairs, he noted that there was no particular desire to change or expand functions. However, correspondence among the legal officers of the agency previous to the issuance of the new order indicates that there was a desire to make specific those powers which had been granted largely by inference in the original order, and likewise to enunciate them in a clearer form. For this reason, the agency was transferred to the Office for Emergency Management and changes in language were made which would give it a greater initiative in regard to its programs.

The order establishing the Office of the Coordinator of Inter-American Affairs was signed July 30, 1941, becoming Executive Order 8840. On the same day also, the Council of National Defense

<sup>56</sup> Gordon W. Winks to Mr. John E. Lockwood, May 5, 1941, on legal outlines of the spending authority of OCCRBAR.

<sup>57</sup> Gordon W. Winks to John E. Lockwood, June 19, 1941. Mr. Winks noted that as soon as Congress passed the appropriation act for OEM, it would give implied Congressional approval to the existence of the Office and all of its subdivisions.

issued an order revoking the one which had created the Office for Coordination of Commercial and Cultural Relations between the American Republics on August 16, 1940, and President Roosevelt issued a separate letter appointing Mr. Rockefeller Coordinator of Inter-American Affairs, again without compensation other than for expenses incident to performance of the duties of his Office.

In comparing the powers granted in the two Executive Orders, in Executive Order 8840 the purpose of the agency was now specifically stated to be "to provide for the development of commercial and cultural relations between the American republics and thereby increasing the solidarity of this hemisphere and furthering the spirit of cooperation between the Americas in the interests of hemisphere defense." In the original order, the Coordinator was responsible directly to the President, to whom he was to submit reports and recommendations with respect to the activities of his Office; in Executive Order 8840, in addition to a requirement to "keep the President informed with respect to progress made in carrying out this Order," a statement that "the Coordinator shall discharge and perform his duties and responsibilities under the direction and supervision of the President" was included. In the later order, the language indicating the coordinating function was simplified by stating only that the Office should "serve as a center for coordination of the cultural and commercial relations of the Nation affecting hemisphere defense." Both orders used much the same language in regard to formulation and execution of programs, indicating that this should be done in connection with the Department of State and by effective use of both Governmental and private facilities. A specific change was made in the establishment of the Inter-Departmental Committee on Inter-American Affairs, for in the Executive Order 8840, it was placed within CIAA instead of having the position of a general inter-departmental committee. The Coordinator remained its Chairman, and provisions for membership were not altered.<sup>58</sup>

In spite of the statement of the Director of the Bureau of the Budget that no change or expansion of functions was involved in the shift, it would appear that the Coordinator was granted greater authority in the later Executive Order. For example, where in 1940 he was not specifically author-

<sup>58</sup> This provision was of no great significance, for this Committee ceased to operate within two months.

ized to inaugurate programs in the commercial and economic fields, in 1941 he was granted the power to "formulate, recommend, and execute programs in the commercial and economic fields which by effective use of Governmental and private facilities will further the commercial well-being of the western hemisphere."<sup>59</sup> Incidentally, no specification was made in this case that such programs should be carried out "in cooperation with the Department of State," but the agency made no effort to vary from the procedure of consultation and prior approval which had been determined during the preceding year.<sup>60</sup> In another portion of Executive Order 8840, the authority of the Office to actually execute programs is again mentioned, for in Section 3 it is stated that:

. . . in the study of problems and in the execution of programs, it shall be the policy of the Office of the Coordinator of Inter-American Affairs to collaborate with and to utilize the facilities of existing departments and agencies which perform functions and activities affecting the cultural and commercial aspects of Hemisphere defense.<sup>61</sup>

Such departments and agencies were requested to cooperate with the Coordinator in arranging for appropriate clearance of proposed policies and measures.

Under the new arrangement, while the Coordination was to provide for the internal organization and management of his office, he was specifically required to obtain the President's approval for the establishment of the principal subdivisions of the agency and the appointment of the heads thereof. Earlier, in working on the draft of the proposed executive order, legal advisers of the agency had felt that this provision would be unsatisfactory, because the President would hardly have the time to consider personally how the Office should be subdivided or who should head its various divisions, and there was no particular need for "rubber-stamping" by him or for analysis by one of his subordinates.<sup>62</sup> Eventually the provision did prove to be superfluous and it was abolished by Executive Order No. 9389 of October 18, 1943.<sup>63</sup> The Office also was specifically given

<sup>59</sup> Other statements made from time to time within the agency indicated also the belief that its authority had been expanded by Executive Order 8840; a *Summary of Activities of the Office of the Coordinator of Inter-American Affairs* (mimeographed, March 1, 1942), which stated that it "not only changed the name, but also expanded and redefined the duties and responsibilities of the Office" is a good example.

<sup>60</sup> See Chapter 15.

<sup>61</sup> See Appendix.

<sup>62</sup> Gordon W. Winks to Carl B. Spaeth, May 29, 1941.

<sup>63</sup> While the Coordinator was discussing with Bureau of the Budget officials on October 8, 1943, creation of a proposed new department in the agency, one of the latter asked whether it were not the "creation of a new

the power to contract with, and to transfer funds to existing Governmental agencies and institutions, and was also authorized to enter into contracts and agreements with "individuals, educational, informational, commercial, scientific, and cultural institutions, associations, agencies, and industrial organizations, firms, and corporations." As was to be expected, the new agency took over all contracts, obligations and responsibilities of OCCCRBAR.

Many provisions in the two orders were identical, such as that which charged the Coordinator to assist the Secretaries of War and of Navy in aiding the governments of the other American republics to increase their military and naval establishments,<sup>64</sup> and that which directed him to review existing laws and to recommend such new legislation as might be deemed essential to the realization of the Government's program of hemisphere solidarity.

In succeeding years the authority of the Coordinator was to be further clarified and amplified in regard to his functions and responsibilities, in the legislative acts which appropriated the funds necessary to carry out the program of the Office.

The Second Deficiency Appropriation Act of 1941<sup>65</sup> which appropriated funds for the predecessor to CIAA provided that these funds were available for the purpose of furthering national defense and strengthening the bonds between the United States and the other American republics by:

- (1) grants to governmental and private nonprofit institutions and facilities in the United States and the other American republics,
- (2) the free distribution of publications, and
- (3) . . . other gratuitous assistance . . . in the field of arts and sciences, education and travel, the radio, the press, and the cinema,

and also for the "employment of experts, special advisers, and other persons who are not citizens of the United States."

Later in the year legislation making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30,

unit for which your Executive Order requires approval of the President." Mr. Rockefeller then suggested submission of the whole organizational plan for approval, indicating that subsequent to the initial approval it had been taken for granted that approval of the Budget Bureau meant approval by the White House. At the same time, one of the CIAA officials present noted that the Executive Order establishing CIAA "may be interpreted to the effect that only the initial organization of the agency needed the approval of the President and not every adjustment in organization," with Mr. Rockefeller agreeing that this interpretation reflected the President's point of view (Minutes of meeting, October 8, 1943).

<sup>64</sup> Public Resolution No. 83 (76th Congress) approved June 15, 1941.

<sup>65</sup> Public Law 150, 77th Congress, approved July 30, 1941.

1943, specified the powers, duties, and responsibilities of the Office of the Coordinator of Inter-American Affairs as follows:

*Provided further*, That moneys from this appropriation made available to the Coordinator of Inter-American Affairs (successor to the Coordinator of Commercial and Cultural Relations between the American Republics), together with moneys previously made available to the Coordinator of Inter-American Affairs, shall, without regard to the limitation of \$1,600,000 specified in the second proviso clause in the appropriation to the Office for Emergency Management contained in the Second Deficiency Appropriation Act, 1941 (which proviso is amended in accordance herewith), be available to the Coordinator of Inter-American Affairs, for the purpose of (a) furthering the national defense, (b) taking such action as may be necessary under the existing state of war, and (c) strengthening the bonds between the United States and the other American republics by (1) grants to governmental and private non-profit institutions and facilities in the United States and the other American republics, (2) the free distribution of publications, phonograph records, radio transcriptions, art works, motion-picture films, educational material, and such material and equipment as the Coordinator may deem necessary and appropriate to carry out his program, (3) such other gratuitous assistance as he deems advisable in the fields of arts and sciences, education and travel, the radio, the press, and the cinema, (4) employing in the District of Columbia and elsewhere in the United States and abroad, experts, special advisers, and other persons, who are not citizens of the United States, and paying their salaries or other compensation and expenses, including the expense of transporting them, their dependents, and their effects from their homes to their place of employment, and (5) causing corporations to be created under the laws of the District of Columbia, any State of the United States, or any of the other American republics, to assist in carrying out the Coordinator's program, and capitalizing such corporations: *Provided further*, That not to exceed \$500,000 of the moneys made available to the Coordinator of Inter-American Affairs from this appropriation shall be available to meet emergencies of a confidential character to be expended under the direction of the Coordinator, who shall make a certificate of the amount of such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein certified: *Provided further*, That moneys from this appropriation shall be available until June 30, 1943.<sup>66</sup>

This Third Supplemental Appropriation Act extended to the agency new powers in the use of funds allocated to it. For example, the power to make grants to governmental and private non-profit institutions was now widened to extend to any part of all moneys granted, where before, the funds which might be so used were limited to a fractional part of the appropriation. Also these funds could now be used for the free distribution of a number of things such as radio transcriptions

<sup>66</sup> Public Law 353, 77th Congress, approved December 17, 1941. The full text of this appropriation is given as illustrative of the language normally used in appropriation measures to list the powers of the agency.

and art works, where previously within the same total allocated for grants the agency could distribute free publications only. Likewise, the moneys could now be used to hire persons who were not citizens of the United States. It was also provided that the Coordinator might spend for emergencies of a confidential character not to exceed \$500,000 of the supplemental appropriations. In the opinion of one official of the Office, this Act placed in its power "authority far beyond that of most other governmental agencies," at the same time imposing a correspondingly greater responsibility.<sup>67</sup>

It will be noted that in this appropriation act the Coordinator was also authorized to cause "corporations to be created under the laws of the District of Columbia, any State of the United States or any of the American republics, to assist in carrying out the Coordinator's program" and to capitalize such corporations. Further legislation in regard to corporations was made in the First Supplemental Appropriation Act of 1943<sup>68</sup> which provided that:

. . . corporations heretofore or hereafter created or caused to be created by the Coordinator primarily for operation outside the continental United States shall determine and prescribe the manner in which their obligations shall be incurred and their expenses allowed and paid without regard to the provisions of law regulating the expenditure, accounting for and audit of Government funds, and may, in their discretion, employ and fix the compensation of officers and employees outside the continental limits of the United States without regard to the provisions of law applicable to the employment and compensation of officers and employees of the United States: *Provided further*, That the Coordinator shall transmit to the President immediately upon the close of the fiscal year a complete financial report of the operations of such corporations.

This additional power was requested because of the nature of the operations of the corporations which were carried out almost entirely outside the United States,<sup>69</sup> and with a great deal of work done for, and in cooperation with, the other American republics and their citizens. The business practices and laws of these nations differed in many respects from those of the United States, and it had been found difficult to comply with United States governmental practices, laws and regulations and still carry out the purposes for which

<sup>67</sup> Arthur Jones to Nelson A. Rockefeller, December 24, 1941. Mr. Rockefeller, however, in testimony on the hearings on this appropriation somewhat earlier had characterized Clause 5 (which authorized the creation of corporations) as the only "substantial" change from powers granted in the previous authorization (Hearings, *Third Supplemental National Defense Appropriation Bill for 1942*, p. 289).

<sup>68</sup> Public Law 678, 77th Congress, approved July 25, 1942.

<sup>69</sup> Budget Est., 1943.

the corporations were formed. Likewise, the employment of persons outside the continental limits of the United States was held to be practically impossible if it were necessary to hold to the laws and regulations regarding Civil Service.

In spite of the power granted in the above legislation, the corporations created by CIAA as a matter of policy followed regular Government procedure except in those few instances where deviations were considered warranted and were specially authorized by the Board of Directors because of the problems attendant upon operations in foreign countries. In 1945 the 79th Congress enacted legislation to bring all Government corporations and their transactions and operations under annual scrutiny by Congress and provide correct financial control of them; under these laws the wholly-owned Government corporations created by the Coordinator's Office thereafter were required to prepare annually a budget program for presentation to Congress and their financial transactions were subject to audit by the General Accounting Office with report of such audit presented each fiscal year to Congress.<sup>70</sup>

In requesting appropriations for the fiscal year 1946, the agency suggested elimination of the wording authorizing the establishment of corporations since formulation of any further such organizations was not contemplated during the year.<sup>71</sup>

Certain other items in regard to legislation affected CIAA. The First Supplemental Appropriation Act of 1943 authorized paying the expenses of:

<sup>70</sup> Public Law 248, 79th Congress; Chapter 557, 1st Session; H.R. 3660; An Act to provide for financial control of Government corporations. Approved December 6, 1945.

<sup>71</sup> Budget Est., 1946.

. . . transporting employees of the Office of the Coordinator and their dependents and effects from their homes to their places of employment in the other American republics, or from their homes in the other American republics to their places of employment and return or from one official station in the other American republics to another for permanent duty.<sup>72</sup>

In the defense appropriation for the fiscal year ending June 30, 1943, the Office was also granted funds for temporary employment of persons or organizations by contract or otherwise without regard to the civil service and classification laws. In the Supplemental Appropriation Act approved on October 26, 1942, the Office also was given certain authority in regard to contracts with radio stations as follows:

Notwithstanding the provisions of section 3679, Revised Statutes (31 U. S. C. 665), the Office of the Coordinator of Inter-American Affairs is authorized in making contract for the use of international short-wave radio stations and facilities to agree on behalf of the United States to indemnify the owners and operations of such radio stations and facilities, from such funds as may be hereafter appropriated for the purpose, against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities.<sup>73</sup>

CIAA was, of course, governed by all wartime legislation affecting hours and compensation of employees, military service and draft deferment, taxation and the like.

<sup>72</sup> In practice, "permanent duty" was normally interpreted as not less than one year.

<sup>73</sup> Public Law 763, 77th Congress. Mr. Rockefeller explained to the House of Representatives Subcommittee on Appropriations that it was thought only fair that the Government be able to indemnify broadcasters for any damage resulting from use of their facilities when the broadcasters were not responsible in view of the fact that they would be devoting their facilities to the use of the Government without profit (*Hearings, H.R., 1943*, pt. 1, p. 356).

## RELATIONS OF CIAA WITH THE DEPARTMENT OF STATE

During the existence of the Office of the Coordinator of Inter-American Affairs, it was in closer and more continuous touch with the Department of State than with any other governmental department or agency.<sup>1</sup> In general, the relationship between the Coordinator and Under Secretary Sumner Welles and his special adviser, Mr. Laurence Duggan, were to be fairly harmonious once the authority of the Department of State for the direction of the whole program was clearly established. In fact, the Department found the Office a useful vehicle for the accomplishment of many activities which the Department could not handle. Friction in actual operations occasionally developed; the Coordinator was not bound by previous precedent and had a very positive program, while the Department of State traditionally was conservative, having learned by experience that caution in foreign affairs frequently prevented difficulties. At the same time, as an old-line Department it had developed fairly rigid methods in regard to procedure which were to prove irksome to members of the Office, usually drawn from the business world. Finally, the principle adopted by the Department that the Coordinator was to operate during the war emergency only, definitely prevented him from inaugurating or carrying through some programs which he considered essential.<sup>2</sup>

There is little doubt that leading officials in the Department of State looked with disfavor upon the establishment in the summer of 1940 of the Office for Coordination of Commercial and Cultural Relations between the American Republics. The creation of the Office itself was a definite implication that the Department of State was not functioning in such a way as to meet the emergencies

<sup>1</sup> Dealing with the Department of State in regard to operations will be touched upon in many other chapters; the following pages deal specifically with procedural relationships.

<sup>2</sup> See chapter 14.

of war in the Latin American area,<sup>3</sup> and even if officials of the latter were willing to admit that it had not been able to meet new demands, they would have held that the only proper way to do so would be through an increase in facilities of the Department itself.

The order which created the Office for Coordination of Commercial and Cultural Relations between the American republics only defined the relationship between the new organization and the Department of State by stating that it was "charged with the formulation and execution of a program in cooperation with the State Department;" the Inter-Departmental Committee on Inter-American Affairs also included a representative from the State Department. In view of the language of the order it is not surprising that the documents of the earlier months of its existence indicate that the officials of the Office did not consider it under State Department direction. Instead, in view of the agency's proposed coordinating function, the reverse was more the case. With the Department of State, by fiat of international law and long practice, accustomed to exercise sole voice in conduct of affairs in foreign lands, the relations between the Department and the Office in late 1940 and early 1941 were far from cooperative, and the Coordinator was to need the friendship of such figures as Harry Hopkins, Vice President Wallace, and Secretary of Commerce Jesse Jones to remain in existence.

That the opinion of leaders of the Office of the Coordinator of Commercial and Cultural Relations between the American Republics that the

<sup>3</sup> No material is available in the files of the agency to indicate this attitude, but in interviews with individuals who knew conditions at the time, it was stated that men in the Department connected with Latin American affairs viewed the entry of a new agency into that field with much apprehension and distrust. The memorandum of June 15 circulated among Cabinet officials by President Roosevelt simply indicated that the facilities of the Department of State in regard to personnel were not adequate to meet the needs of the situation at the time.

position of the Office was on a par with that of the Department in the Washington bureaucratic hierarchy is indicated in data on meetings and agreements between the two. On September 12, 1940, two representatives of the agency met informally with representatives of the Department at the suggestion of Mr. Laurence Duggan, head of the Division of the American Republics of the Department of State, with the purpose of discussing relationships between "our Office and his, mainly in connection with our cultural relations program."<sup>4</sup> A memorandum of the discussions which took place indicated that among the more important questions covered were the following:

(1) Liaison between the two offices by means of ex-officio memberships on any advisory committees which may exist or be appointed.

(2) Exchange of information and the setting up of a procedure to insure that each office is acquainted with what the other is doing.

(3) Use of State Department facilities for obtaining information through diplomatic missions in Latin America.

(4) Clearance with State Department with regard to agents of the Coordinator's Office being sent to Latin America.

Representatives of the agency noted that they had discussed these points in some detail but were "most careful to refrain from committing the Coordinator's Office in any way." Discussions in one of the Executive Committee meetings of the Office likewise indicate the point of view that the leaders of the new agency felt it equal in authority with the Department of State. On September 23, 1940, the Coordinator and Mr. Spaeth reported that Under Secretary of State Sumner Welles was opposed to the cultural relations information program under consideration by the Office and noted that a representative of the Office would meet with one from the Department to work out the place of each of the two agencies in the cultural relations field. The Coordinator expressed his opinion that it would be advisable to have a Policy Committee for the whole Latin American program, made up of himself, Secretary of State Hull or Under Secretary Welles, and Secretary of Commerce Jesse Jones to formulate the whole United States-Latin American program.<sup>5</sup> In another meeting of November 13, Mr. Spaeth reported that A. A. Berle of the State Department had suggested that the two agencies divide functions in the communications program, with the Department handling the prophylactic part, and the Office the affirmative

aspects. In November, the necessity of integrating closely the program of the Coordinator with that of the State Department, particularly in regard to cultural relations, was recognized by a project which provided that the Coordinator be authorized to finance an addition in personnel for the Division of Cultural Relations of the Department of State. A series of conferences between the two had made clear that the division of the Department would have greatly increased duties since it was being "called upon for advice in shaping projects under consideration by the Coordinator's Office."<sup>7</sup>

On its part, the Department of State did not, at first, attempt to direct the program of the Office for Coordination of Commercial and Cultural Relations between the American Republics. A memorandum to the President by Cordell Hull, in which he noted appointment of members to Department of State Advisory Committee on Art, stated that he had assured himself that the functions of this Committee would not conflict in any way with that appointed by the Coordinator.<sup>8</sup> The President on March 3, 1941, sent a short memorandum to the Coordinator to confirm his understanding that he was in touch with the State Department and in accord with it on the appointment of committees.<sup>9</sup> In turn, the Coordinator notified the President that he had received his memorandum and a letter from Secretary Hull, which he had "read with interest"; he stated that his Office had discussed the formation of the committees with the State Department and had agreed that they were desirable and would serve a useful purpose.<sup>10</sup>

The situation in regard to relative authority between OCCCRBAR and the Department of State, however, was one which was bound to result in a test of power sooner or later, and differences came to a head in the spring of 1941. It is probable that several factors played a part in the circumstances which were to lead to a redefinition, on a very specific basis, of the relationship between the two agencies. One factor which, at least

<sup>4</sup> *Ibid.*, November, 1940.

<sup>7</sup> Memorandum of November 25, 1940. The amount involved in the proposed project was \$14,280, with six additional persons to be provided to aid the Division of Cultural Relations of the State Department.

<sup>8</sup> Cordell Hull to President Roosevelt, February 3, 1941. He did emphasize that the Department was particularly concerned with long-range projects, while the Office was to concentrate on emergency activities.

<sup>9</sup> Franklin D. Roosevelt to Nelson A. Rockefeller, March 3, 1941.

<sup>10</sup> Rockefeller to President Roosevelt, March 7, 1941. The Coordinator held that the Advisory Committees of the State Department were not operating committees, while those of his Office met as frequently as once a week in order to deal with the prompt execution of an emergency program.

<sup>4</sup> Memorandum from Arthur Jones to Carl Spaeth, September 18, 1940; Nina Collier to Arthur Jones, September 14, 1940.

<sup>5</sup> Minutes, Executive Committee Meeting, September 23, 1940.



in the press of the time, was given credit for a decision on the issue, arose from repercussions over an extensive advertising program which the Office had started in the other American republics.<sup>11</sup> The records indicate that officials in the State Department were familiar with the plan for advertising<sup>12</sup> which was developed in the first 3 months of the year; however, when the first advertisements began to appear in Latin America, adverse reports received by the Department of State from the missions in the field resulted in decision on its part that the campaign should be discontinued.<sup>13</sup>

Another factor, and one which an official of the agency familiar with circumstances believed of some significance, was the attempt of the Office to establish direct liaison between itself and the Embassies of the other American republics in Washington.<sup>14</sup> This was a violation of the principle of international law under which the Department of State was the sole official channel for communication between the Government of the United States and those of all other sovereign nations and the Department of State took prompt action. Whatever the causes, an appeal was made to President Roosevelt, and in his letter of April 22, 1941, the future position of the Office of the Coordinator of Commercial and Cultural Relations between the American Republics was specifically delimited:

MY DEAR NELSON: Because of the growing complexity of relations between this country and the other American republics during the present emergency period, and having in view the often delicate inter-weaving of the various phases which foreign relations have now and will undoubtedly have in the future, I wish to assure that there shall be adequate centralization in the Government with respect to the conduct of our foreign relations.

As you know, it was my thought in the establishment of an Office of the Coordinator of Commercial and Cultural Relations between the American Republics that such an office was especially desirable as a coordinating organ for certain emergency measures rendered advisable by the course of events since the outbreak of the war. But in order that our foreign relations may be conducted so as to advance the security and welfare of the country, it is now more than ever essential that

<sup>11</sup> Details of this advertising campaign are discussed in Chapter 7.

<sup>12</sup> A memorandum dated March 28, 1941, in files of the Office records developments in a number of meetings between representatives of CIAA and State Department officials in regard to the advertising campaign.

<sup>13</sup> At least one published article credited failure of the advertising campaign to the appeal to the President by the State Department for control over the program of CIAA. This article indicated that while an official in the Department had approved the campaign, in some way Under Secretary Welles had not been kept informed and blamed the Office for operating without proper prior consultation (Hellman, "Nelson Aldrich Rockefeller," *New Yorker*, April 11, 1942).

<sup>14</sup> Edward H. Robbins, a relative of President Roosevelt, was selected for liaison with the Embassies and with the White House.

the Secretary of State be apprised of all Governmental undertakings, whether carried on directly by Governmental agencies or indirectly through private agencies, relating to foreign countries. The Department of State is charged with responsibility under the President for the conduct of the foreign relations of the country. This centralization of responsibility is of the utmost urgency today. Without it, the maximum result of the combined efforts of the executive agencies cannot be attained.

I am aware of your own personal intentions to cooperate for the purpose of furthering the highest interests of the country in regard to the activities of mutual interest to your Office and the Department of State. And I also know of your intentions to consult with and to obtain the approval of the Department concerning activities to be undertaken by your Office. The procedure for such cooperative agreement on action has frequently been effective but I have observed impairment of our total effort, particularly in regard to activities which, while directed from within this country, are carried out in the other American republics.

I therefore desire that you take appropriate steps to institute arrangements for assuring that in all instances projects initiated by your Office shall be discussed fully with and approved by the Department of State, and a full meeting of minds obtained before action is undertaken or commitments are made. The Department of State has been instructed to give prompt and careful attention to any matters submitted by your Office for coordination.

I know that you will fully share my judgment that the steps requested are essential to the success of the Administration in attaining its objective in inter-American affairs, in behalf of which I am sure I can count on your contribution.

Very sincerely yours,  
(s) FRANKLIN D. ROOSEVELT.

By this order the authority of the State Department, both in regard to determination of basic policy and to authorization of each specific project of the Office, was clearly established. In June, the program presented by the agency in connection with the Second Deficiency Appropriation Bill for 1941 contained a statement from Secretary of State Cordell Hull which indicated the degree of cooperation between the Coordinator's Office and the Department of State as follows:

I am very glad to have this opportunity to inform you that, at the request of the President, the Coordinator's Office and this Department have agreed upon working arrangements to assure appropriate consultation with this Department with regard to the work to be undertaken by the Coordinator's Office. I am satisfied that under the existing arrangement the program of the Coordinator and the work of the Department in the American republics are certain to be complementary. You can be confident that overlapping of activities will be avoided, because under the arrangement indicated nothing will be undertaken by the Coordinator's Office which is not based upon mutual agreement and through cooperation between the Office of the Coordinator and this Department.<sup>15</sup>

<sup>15</sup> *Hearings, H.R., 1941, p. 718.*

Likewise, at a press conference in the latter part of June, Under Secretary Welles told the press that there was no lack of cooperation between the State Department and the Office of the Coordinator, and later he told Mr. Rockefeller that he was very pleased with the close relations which had been established between CIAA and the State Department.<sup>16</sup> A year later, when creation of a new War Information agency was in prospect in the spring of 1942, the Department of State strongly supported the Office in its effort to prevent the proposed agency from taking over information activities in the other American republics.<sup>17</sup> As a final illustration of the changed viewpoint of the Department of State, when the Coordinator in August 1942 told Under Secretary Welles that because of the extremely critical turn of events, the top people in the Office felt that if he and the Department felt it desirable to terminate the activities of the Coordinator or to turn over the work presently being carried out by the Office to the Department of State or to the Army, he would do so, the reply of Mr. Welles was that he definitely wished the Office to continue with its program exactly as at present, and again expressing his satisfaction with its activities.<sup>18</sup>

Official announcement from Washington officials that two associated agencies are carrying out their operations in complete cooperation cannot always be accepted at face value, and at times are even an indication that the reverse is true. Nevertheless, in succeeding years the relationship between CIAA and the State Department was one of reasonably effective cooperation, especially as long as Sumner Welles, and particularly Laurence Duggan, remained with the Department. Some variation in

<sup>16</sup> Memorandum of meeting between Mr. Rockefeller and Under Secretary Welles on Wednesday, July 2, 1941, 11 a.m., dated July 7, 1941.

<sup>17</sup> Under Secretary Welles wrote Harold Smith, Director of Bureau of Budget, on May 12, 1942, stating his firm opinion that CIAA should remain as a separate and autonomous agency of the Government. A full discussion of the relationship between the agency and the Office of War Information will be found in Chapter 16.

<sup>18</sup> Confidential memorandum of conversation with Mr. Welles, August 14, 1942. At hearings before Congress in succeeding years, the relationship between the Department and the agency were regularly outlined, with the Secretary of State usually noting that CIAA and the Department had cooperated closely and effectively; that through integration of planning and execution, overlapping and duplication had been eliminated; that the Department made no effort to pass upon specific items in the Coordinator's budget although these had been discussed in advance, and that individual projects would be considered as proposed. (Cf. Cordell Hull to Clarence Cannon, Chairman, House Committee on Appropriations, June 6, 1942, *Hearings, H.R., 1943*, Pt. 1, p. 564; Cordell Hull to Clarence Cannon, April 17, 1943, *Hearings, H.R., 1944*, Pt. 1, pp. 161-2; Cordell Hull to Clarence Cannon, April 13, 1944, *Hearings, H.R., 1945*, Pt. 1, pp. 923-4; Joseph C. Grew, Acting Secretary of State, to Clarence Cannon, April 28, 1945, *Hearings, H.R., 1946*, Pt. 1, pp. 582-3. The same ideas were expressed in correspondence between Secretary Hull and the Coordinator, as in a letter of September 26, 1942.)

relationship occurred as between divisions of CIAA, as will be shown in following pages; cooperation in regard to cultural matters was well worked out, and in the information field friction was not great, while in the economic development area, the reverse was true.

On the opposite side of the picture, on at least two occasions severe criticism of the Department of State was voiced by high officials of the agency, in one of these by the Coordinator himself.

The first case was a bitter arraignment of the State Department in September 1943, by Mr. James LeCron, Director of the Food Supply Division.<sup>19</sup> Mr. LeCron's criticisms were phrased as follows:

It has, as you know, been impossible for the Food Supply Division to operate as effectively as it should operate because of interference, obstruction, delay and unintelligent dictation on the part of certain officials of the State Department, particularly those in the Division of Economic Operations which has been given primary authority by the State Department to control our operations. In fact various individuals, some in only minor positions, are able to harass and block our work because of divided authority, lack of administrative organization and want of directive policy in the State Department. I have continually hoped that this situation would improve. It has not done so.

\* \* \* \* \*

The Bureau of the Budget, acting for the President, has approved the budgets of this office for increasing food production in Latin America. The Congress of the United States has for two successive years passed the appropriations for which we asked, and without deduction. The food production program was agreed to and approved by the State Department in advance and before you asked me to inaugurate it and take charge of it. Nevertheless, the officials of the State Department referred to above have hampered us in almost every possible way in carrying out the program, without regard to the will of Congress or the official commitments of the Department. The obstructions placed in our way have, with few exceptions, been caused by Washington officials of the Departments. Most of the State Department's ambassadors in the nine countries where we are now operating have in fact been very cooperative and have approved heartily of our operations.

These obstacles have multiplied instead of diminishing. These officials have recently forbidden us to discuss possible operations or to offer our services to the governments of several countries where increased food production is greatly needed (notably Bolivia and Ecuador), although budgets for operations in those countries were approved by Congress. They now have undertaken to tell us how many and what sort of agricultural experts we may send to countries with which we have agreements and hence obligations, without having the slightest idea what personnel is needed to carry out the terms of those agreements.

<sup>19</sup> Mr. LeCron's statement was made in the form of a letter of resignation; President Roosevelt had ordered in August 1942, that an official of any agency making a public criticism of another agency must resign.

Delays and obstructions occur constantly. For example, after our agreement with Paraguay was negotiated, with the assistance and approval of the State Department's ambassador in that country, the Division of Economic Operations held it up for six weeks before permitting it to be signed. In Nicaragua we have been prevented for over three months from carrying out many of the terms of the agreement with the government of that country, signed May 20. This agreement was negotiated with the assistance of the United States Ambassador to that country and was approved by the State Department. We have been forbidden to send some of the agricultural technicians needed to fulfill the agreement.

I am in accord with the principle that the State Department should determine broad political policy abroad, but I will not grant its competence or its need to exercise administrative judgment or to furnish direction or obstruction in carrying out action programs authorized by Congress.<sup>20</sup>

A grave charge against the Department on its failure to handle broad lines of foreign policy on an efficient basis was made in September 1944 by Mr. Rockefeller, in personal conference with the Secretary of State, and confirmed by later correspondence. The Coordinator, who noted that "the Department has never invited this Office to participate in the formulation of foreign policy, nor have we deemed it our province to do so," stated that "in view of the serious situation which exists today with respect to the unity of the Americas" (referring to the current Argentine situation) he felt it his duty to make certain suggestions as to possible course which might be followed.

The Coordinator then reviewed how his suggestions had been handled. He had first called the attention of the Department, on January 11, 1943, that the Hemisphere regional structure needed strengthening within our own government because of the Argentine threat to American unity. He was at that time directed to talk to the Under Secretary of State, and did so on January 14; he also had submitted a memorandum in which he pointed out that "neither the policy determinations in the Department of State, nor the operations of the Government outside the Department are organized on an effective regional basis" for the meeting of current growing problems and uncertainties.<sup>22</sup> Specific recommendations which he felt were basic to reestablishment of this nation's leadership in Hemisphere affairs were to:

So organize the administration of inter-American affairs in the State Department as to give them the special status and emphasis necessary for the statement of clear decisions and precise objectives.

Some one person in the Department must be given authority and responsibility to integrate all the activities of the

Department re Latin America both political and economic. Such person should be in a position to make and express current decisions for the Department in accordance with the policies established by the Secretary.

Following his submission of the above memorandum in January, the Under Secretary of State asked him to discuss the points raised with the Director of the Office of American Republics Affairs, which he did. Seven months then elapsed with no action taken; the Coordinator believed in September that lack of orientation had become even worse. He then pointed out two specific instances which indicated what he considered as the "dilatatory and indecisive manner in which the Department deals with problems vitally affecting the collaboration of the Americas, thereby making it difficult, if not impossible for other departments" and international bodies to carry out instructions. One of these instances was in connection with the Mexican-American Commission for Economic Development, where the Coordinator, following criticism of action by the Department, had requested a statement of policy from it but had never received more than an indication that the matter was being studied (this, eleven months after the Commission had been created by the Presidents of the United States and Mexico.) The Coordinator pointed out that the Department either should decide against the Commission and disband it, or give it effective backing, if it were decided to support it.<sup>23</sup>

The second illustration noted by the Coordinator was in regard to the Inter-American Development Commission, in which the Department had endorsed a conference of the 21 national commissions in May, 1944, had worked with the Coordinator in preparation of resolutions for it, and then, after the IADC conference had approved the resolutions, had started a study of the functions of IADC. It was taking up this matter, as well as consideration of the resolutions passed, a month and a half after the Conference was over.<sup>24</sup>

The Coordinator concluded his statement with the belief that:

... a great many of the difficulties evidenced by the foregoing examples arise from the fact that the Department is so organized as to have a series of functional divisions, each with authority in its own area, over which there is no regional unifying policy and operating direction. Thus a question of fundamental importance will be discussed in three or four different divisions, with no one of them having final responsibility. In addition, the Department is not giving the necessary policy direction to the other agencies of the Government with the

<sup>20</sup> James D. LeCron to Nelson A. Rockefeller, September 2, 1943.

<sup>21</sup> Nelson A. Rockefeller to Secretary of State, September 7, 1944.

<sup>22</sup> Nelson A. Rockefeller to Secretary of State, September 5, 1944 (secret).

<sup>23</sup> *Ibid.*

<sup>24</sup> *Ibid.*

result that it is impossible for them to take the prompt action necessary to anticipate and meet problems as they arise. This very seriously affects the ability of this Government to give decisive leadership in anticipating and meeting the problems affecting the unity of this Hemisphere, except in those cases where you, or the Under Secretary, personally have stepped in to supply this direction and leadership.

Therefore, I should like once again to recommend urgently that you delegate authority to some one person for the interpretation and execution of all of your policies and the operations of the Department affecting inter-American affairs. This person will not only have the authority to direct and integrate all the work of the Department in this area, but also will express the policy and give clearance to the other agencies of the Government on behalf of the Department.

After the question of jurisdiction was settled in the spring of 1941, liaison procedure with the State Department was soon systematized into a pattern which remained essentially the same through succeeding years.<sup>25</sup> The Coordinator specifically outlined this procedure in a memorandum of October 19, 1943:

Matters of basic policy leading to the formation and shaping of this Office's program are taken up by me personally with the Secretary or the Under Secretary so that this Office can so shape its program as to give the most effective implementation and support to the Government's foreign policy.

The overall program of the Office is made up of a number of individual programs, each of which is the subject of a separate project. The directors of the several departments are responsible for submitting projects in written form and getting clearance in writing from the Department of State prior to the undertaking of any program in the other American Republics and for keeping the Department of State informed as to the progress of these programs by individual contacts and by transmitting through the Department pertinent letters and telegrams. In this way, where the operations of an agreed-on program may affect policy, the Department has an opportunity to make known its point of view and give us the benefit of its counsel. All programs of our Science and Education Division are cleared through the Joint Committee on Cultural Relations (which was formed three years ago and is composed of representatives from the Department of State and this Office) so that the activities of this Division and the Cultural Relations Division of the Department of State are effectively integrated.

In the carrying out of this procedure, Mr. Duggan, Political Adviser on Latin America, is our principal liaison, and we get clearance from him and Mr. McDermott on the work of the Information Department, the Department of Inter-American Activities in the United States and for some of the activities of the Administration Department. The work of the Economic Development and Basic Economy Departments, and the remainder of the activities of the Department of Administration and Special Operations, are cleared through Mr. Collado. In the cases where there may be some disagreement concerning administrative procedure, matters are referred to Assistant Secretary of State G. Howland Shaw. Similarly, where there is some question concerning policy, matters are referred to

<sup>25</sup> One difficulty in the period before April 1941 had been that various divisions of CIAA had contacted different officials in the Department independently, with resulting confusion.

Assistant Secretary, Adolf Berle. In both cases, if necessary, the question will ultimately be referred to you.<sup>26</sup>

Under this system of procedure, liaison between the Department and the Office was maintained through a few clearly specified individuals.<sup>27</sup> From time to time as needed, conferences were arranged to discuss specific plans; these conferences between representatives of both the Office and the Department seem to have been held more or less regularly in different fields of activity.<sup>28</sup> For one period of time from January through October 1944 a Joint Committee on Policy functioned, with both the Coordinator and individuals high in the American Republics field of the State Department regularly in attendance.<sup>29</sup> The Inter-Departmental Committee on Inter-American Affairs also served as a liaison link as long as it was in existence.

Individual projects of the Coordinator's Office were regularly referred to the Department of State through the proper liaison officers after official approval by the Project Committee of the Office; these projects were of course prepared in line with general directives already established between the Office and the Department on policy levels. Procedure in submitting confidential projects for consideration by the State Department provided that they be handed in person to the individual of the State Department detailed as Adviser on Policy for the Office.<sup>30</sup> The answer of the latter officer would be returned in the same manner.

The Department of State early decided it would not attempt to assume specific responsibility for

<sup>26</sup> Nelson A. Rockefeller to Under Secretary of State Edward Stettinius, October 19, 1943. Mr. Rockefeller also indicated that this relationship had been a highly satisfactory one and that he sincerely believed that "through this procedure we are arriving at a workable and satisfactory balance between exercise of policy determination on the part of the Department and the carrying out of responsibilities of this Office for coordination, administration, and operation of the programs and the work itself."

<sup>27</sup> A general memorandum of January 25, 1943, noted that the duties of liaison officer were: to act as representative for all divisions of this Office and of the Department of State in expediting and following up matters sent to the Department for its approval; to follow through projects from their inception to their conclusion; to keep a close and personal contact with Department of State officials for the furtherance of mutual understanding; to transmit information between the two agencies, and to handle miscellaneous inter-departmental matters requiring State Department action, such as obtaining passports for representatives of the Coordinator's Office going to the other American republics. All members of OCIAA were expected to use his services in dealing with the representatives of the Department of State.

<sup>28</sup> An undated memorandum on "Liaison of Information" noted that in addition to the regular meeting described above, regular weekly meetings were held between the representatives of the OCIAA Information Department and those of the Office of Public Information of the Department of State to discuss content and directives.

<sup>29</sup> This was in addition to the Joint Committee on Cultural Relations, discussed in following pages. Other joint committees on a permanent basis, such as one to coordinate propaganda activities, were proposed but not established.

<sup>30</sup> Nelson A. Rockefeller to Laurence Duggan, May 18, 1942. The latter was to be Adviser for over two years.

financial transactions entered into by the Coordinator since he was responsible by law to Congress for expenditure of his own funds. However, if the financial arrangements of a project were such as to warrant a belief that they would handicap the eventual success of the project, or would in any way create an unfavorable repercussion on the relationships with the other republics in any field, the Department would raise a question on the basis of the latter point rather than on the ground of financial policy. Also, officials of the Department felt that it would be legitimate to criticize a project which involved an abnormally large share of the funds available to the Coordinator since this would restrict the amount of money that could be used for other projects considered highly desirable by the Department.<sup>31</sup>

The process of approval of some items in the Coordinator's program at times involved almost minute checking by the Department of State. A memorandum to an official of the Bureau of the Budget in 1944 by the Motion Picture Division noted that in the earlier years of operations every single detail of producing a picture was checked with the State Department, one of them being referred to the Motion Pictures Committee twenty-one times between the stages of script and final approval of the picture.<sup>32</sup> Later, procedure was streamlined a bit, but the checking still involved various contacts, in chronological order as follows:

- (1) Discussion of the idea for a picture at the Joint Content meeting held every three weeks, oftener when necessary. This meeting was instituted so that the Motion Picture Committee would have a better understanding of projects, scripts, and pictures, thus eliminating questions as to purpose, criticism, etc.
- (2) Review of the script in English. Their action on this has been speeded up considerably.
- (3) Review of rough out. This step has been eliminated.
- (4) Review of English version, screening.
- (5) Review of Spanish and Portuguese scripts. This step is to be eliminated shortly.
- (6) Screening of picture in Spanish and Portuguese.<sup>33</sup>

At times the necessity for securing State Department clearance for projects proved irksome to the Coordinator's Office; for example, various

<sup>31</sup> Memorandum from John C. Dreier to Laurence Duggan, July 28, 1941, a copy of which was sent to the Office of the Coordinator for his guidance on September 30, 1941, by Charles A. Thomson, Chief of the Division of Cultural Relations.

<sup>32</sup> Russell Pierce to Winthrop M. Southworth, June 10, 1944. The Department had the privilege of rejecting any picture which it did not consider suitable for showing to nationals outside the border of the United States. Similarly, in regard to radio scripts, approval by the Department was an absolute requirement before broadcasting.

<sup>33</sup> *Ibid.*

references in the minutes of the Joint Committee on Policy between the State Department and the Office which functioned during most of 1944 contain several protests by the representatives of the Coordinator in regard to delays in both clearance of proposed projects and delay in regard to determination of policy; as an example, the Coordinator stated in a meeting of the Joint Committee on Policy on March 2, 1944, that it was necessary that the Office get some decision from the Department on a schedule for existing food arguments, a matter which had been pending for two months.<sup>34</sup> Occasionally projects worked up under a general directive of the State Department had to be canceled, as in the case of a radio program developed on France in 1944 which was halted with little notice because of a change in military circumstances.<sup>35</sup>

As indicated, the Office looked to the Department of State as a source of information, particularly that regularly received from Foreign Service officers in the other American republics. Throughout the history of the agency the gaining of this information was a matter of intermittent controversy; the Office normally desired more detailed information on political matters than the Department was willing to grant, and the Office rarely received it as rapidly as it wished to get it. In October of 1941, arrangements were made for a representative of the Office to have a man at the Department with some authority to look through dispatches.<sup>36</sup> Later, copies of many cables and such items as consular reports on economic and other conditions were regularly transmitted to the Office.

Relations between the Office of the Coordinator of Inter-American Affairs and the Department of State in regard to cultural activities evolved on a pattern slightly different than that of other aspects of the Coordinator's program. The Department of State had a Division of Cultural Relations, organized as a result of commitments made at the Eighth Pan American Conference held in Lima in December, 1938. It has already been noted that the work of the Coordinator in this field increased activities of the Department to some extent, bringing into consideration an increase in personnel in the State Department. On June 5, 1941, the Coordinator and Secretary of State Hull initialed

<sup>34</sup> Minutes, March 2, 1944. It was still not clear within the Department as to who was responsible for the decisions.

<sup>35</sup> Minutes, Joint Committee on Policy, August 24, 1944.

<sup>36</sup> G. Howland Shaw to John E. Lockwood.

a memorandum of agreement to provide for more "effective direction and administration of the cultural relations program" with the following general principles approved:

Determination of policy shall be the joint function of the Department of State and the Office of the Coordinator, working in close collaboration, who shall be assisted by such representatives of private agencies as may be deemed desirable.

Execution of policy, with regard to activities carried out in greater part in the foreign field, shall be under the direction and control of the Department of State. Execution of policy, with regard to activities in greater part in the United States, shall, for the emergency program, be under the supervision and control of the Coordinator's Office.

Operations both in the field and in the United States shall be carried out by appropriate competent agencies both private and governmental.

Financing of projects shall be carried out from both governmental and private funds.

The activities of permanent agencies in the cultural field shall be encouraged and assisted toward the end that permanency shall be lent to the cultural relations program both of the Department of State and of the Coordinator's Office.<sup>37</sup>

As a result of this memorandum there was established a Joint Committee on Cultural Relations shortly afterward.<sup>38</sup> The Chief of the Division of Cultural Relations of the Department of State, and the Assistant Coordinator of the Office of the Coordinator of Inter-American Affairs concerned with cultural relations were members, while private agencies working in the field of cultural relations were represented by the Executive Director of the American Council of Learned Societies. The functions of the Joint Committee were to determine (a) a basic policy to be followed with regard to cultural relations and (b) the division of functions and allocation of projects and accompanying grants from the Coordinator's funds to the Department of State, the Office of the Coordinator, other government agencies, and private organizations.<sup>39</sup> Individual projects were submitted to the Department of State for clearance subsequent to approval by the Joint Committee.

Some variation occurred in the scope of the field which was under the jurisdiction of the Joint Committee. In December 1941, for example, the Department of State requested that the Joint

Committee discuss the handling of projects which came within the scope of the Division of Cultural Relations of the Department of State, but which were not handled by the corresponding division of the Office of the Coordinator and therefore were not presented to the Joint Committee for consideration. The same topic was again brought up in the meeting of February 11, 1942. The reverse was also true, for at times activities such as sports were included in the program of the Science and Education Division (formerly Cultural Relations Division) of the Coordinator's Office but were an aspect of "cultural" activities with which the State Department was not at the time concerned. During most of the life of the agency, the Joint Committee handled projects over a rather broad field, and by virtue of the authority of the Department of State included all items which were of special interest to the Division of Cultural Relations of the Department of State, such as projects in the fields of arts, education, publications, the general field of the social sciences, and particularly the exchange of persons. In the earlier period this Committee also considered projects which included health and sanitation, sports, hospitality services, and activities carried out in the United States. In the early part of March 1942, there was discussion as to the jurisdiction of the Joint Committee over activities carried out in the United States itself,<sup>40</sup> and projects concerned with the work of the new Division of Inter-American Activities were, for a time, withdrawn from consideration by the Joint Committee. These were later again submitted to the Joint Committee,<sup>41</sup> but by December 1944, data on projects dealing with the activities of the Office of the Coordinator of Inter-American Affairs in the United States were submitted to the State Department for information only and not for clearance, by virtue of the Office's interpretation that the State Department's authority concerned activities in the foreign field alone.<sup>42</sup> Some difference of opinion over authority developed in connection with this part of the program. In April 1943, the Department of State in connection with activities in the motion picture field noted that in addition to reaffirming its responsibility for the suitability of motion pictures and films distributed in the other American republics, it also expected to approve films

<sup>37</sup> Memorandum of Agreement between the Department of State and Office of the Coordinator of Commercial and Cultural Relations between the American Republics, June 5, 1941. A letter of Mr. Rockefeller to Laurence Duggan, May 31, 1941, indicates that the first draft proposed by the State Department did not give enough responsibility to the Office in determination of policy and that modification was made which resulted in collaboration through the Joint Committee.

<sup>38</sup> According to OCIAA memorandum on the "Functions of the Joint Committee," May 21, 1941, the organization of the Joint Committee was worked out on June 9, 1941.

<sup>39</sup> *Ibid.*

<sup>40</sup> Minutes of Joint Committee on Cultural Relations, April 3 and 10.

<sup>41</sup> Memorandum of Marion F. Roach to Mrs. Nina P. Collier, April 24, 1942. This memorandum gives a resume of the early operations of the Joint Committee.

<sup>42</sup> Memorandum on Project Authorization Procedure, December 26, 1944.

officially sponsored by the Office for distribution in this country.<sup>43</sup> In reply, Mr. Rockefeller took exception to this point, assuming that since his agency was a part of the Executive Office of the President, it was responsible to Mr. Roosevelt for any activity in the United States as was any other agency of the Office for Emergency Management.<sup>44</sup> Coordination and clearance of training and fellowship programs administered by the Office were handled through the Division of Cultural Relations also, and presumably would receive consideration by the Joint Committee.<sup>45</sup>

Cooperation in the field of cultural relations continued to be close, as the program of the Office of the Coordinator of Inter-American Affairs developed. In May 1942, the Department of State found that the increased demands of the Inter-American program were again placing a burden upon the staff of the Division of Cultural Relations which was too great for the personnel available, and requested aid from the Office of the Coordinator of Inter-American Affairs because these new responsibilities were the result of work undertaken in the fields of motion pictures, radio, and slide films by the Office.<sup>46</sup> Aid in the amount of about \$35,000 annually was requested from the Coordinator, and the Office under a project approved May 27, 1942, granted funds to supply certain furniture and equipment and ten new employees. As time passed, other interchanges of funds for cultural activities occurred as, for example, when the Office called the attention of the Department in the spring of 1943 to the fact that it had brought to the United States some 56 Latin American journalists as a part of the program, while the Department of State had only brought up ten. The latter were primarily connected with the field of literature while the former were mainly commercial newspapermen who were concerned with presentation in Latin America of the story of the war effort of the United States. In accordance with an agreement made somewhat earlier between the Office and the Division of Cultural Relations, the latter was requested to consider the possibility of turning over \$100,000 to the Office from a total sum of \$150,000 which had been granted to it by Congress for the bringing of writers to the United States from the other American republics.<sup>47</sup> The Department eventually as-

signed \$75,000 to the Office for use in connection with travel grants to journalists visiting the United States from Latin America.<sup>48</sup> Incidentally, similar interchanges of funds occurred in other fields, as when the Office transferred to the Department of State in 1941 a grant of \$40,000, plus certain personnel, for the purpose of carrying on the functions connected with development of the Proclaimed List, as has been noted elsewhere.<sup>49</sup>

During the first half of 1943, a new agreement on the division of responsibility between the appropriate divisions of the two agencies was carried out. In general, the Division of Cultural Relations of the Department of State was to assume full administrative responsibility for that part of the program generally to be developed on a long-range basis, such as projects concerning the arts, music, student interchange, cultural institutions and American libraries, and American-sponsored school programs.<sup>50</sup> The Division of Science and Education of the Coordinator's Office was granted the right-of-way in the areas of literacy and education at the elementary, secondary, and teacher and school administrator training levels, including interchange of teachers and school administrators, and development and distribution of instructional materials. This field was interpreted to be more nearly an emergency type of activity.<sup>51</sup> In certain areas both agencies had planned activities, such as in the field of English teaching; here the Department of State was given responsibility for the program in institutions of higher learning (except those for teacher training) and in cultural institutes, American libraries, and American schools. The Division of Science and Education retained responsibility in the field of collaboration with the other American republics in the development of programs of English teaching at the elementary, secondary, and teacher training levels. In the field of vocational education, the Joint Committee on Cultural Relations was to work out a coordinated overall program and this was also to be done in the field of publications. This agreement between the two agencies is further reflected in estimates on expenditures presented to Congress during the

<sup>43</sup> Charles A. Thomson to Wallace K. Harrison, June 24, 1943. Mr. Thomson noted that the Coordinator would shortly be advised formally of the transfer and would be requested to submit to the Department a plan for expenditure of the funds.

<sup>44</sup> See chapter 2.

<sup>45</sup> Statement on the Division of Responsibility between the Division of Cultural Relations of the Department of State and the Division of Science and Education of the CIAA (no date).

<sup>46</sup> *Ibid.*

<sup>47</sup> Breckinridge Long to Nelson A. Rockefeller, April 8, 1943.

<sup>48</sup> Nelson A. Rockefeller to Breckinridge Long, June 16, 1943.

<sup>49</sup> G. Howland Shaw to Nelson A. Rockefeller, December 21, 1943.

<sup>50</sup> G. Howland Shaw to Nelson A. Rockefeller, May 12, 1942.

<sup>51</sup> Wallace K. Harrison to Charles Thomson, April 19, 1942.

year.<sup>52</sup> By December 1943, the program had been fairly well worked out,<sup>53</sup> an additional agreement on general vocational education had been signed and relationships insofar as textbook translation had been reached, although some difficulties had occurred in the field in regard to the transfer of cultural relations activities dealing with art and music and particularly connected with assignment of funds for small local projects. In the following year it was found that certain projects lay in a border line zone between the two agencies and were not receiving proper attention by either; the Office in October 1944 sent a list to the Division of Cultural Relations of projects of this type, suggesting that it seek funds from Congress to care for them.<sup>54</sup>

The Coordinator's Office supported the program of the Division of Cultural Relations of the State Department in Congressional hearings on occasion and at least once even took it upon itself to suggest a strengthening of that Division. At a meeting in the office of Assistant Secretary of State G. Howland Shaw on January 12, 1944, Mr. Rockefeller presented several recommendations with regard to the State's cultural relations program; these recommendations had been previously discussed with Mr. Laurence Duggan and Mr. Charles Thomson of the State Department and had been favorably received.<sup>55</sup> The Coordinator believed that the top personnel of the Department of State should take a more active interest in, and accept greater responsibility for, the program of the Cultural Relations Division. It was also felt that the top personnel of the Cultural Relations Division should be outstanding personalities in the cultural world in order that they might command respect both at home and abroad, and he pointed out that to accomplish this their salaries would have to be commensurate with their position and responsibility to the extent possible under Government practice. The present leaders in the Division were loyal, able and hardworking, but salary levels prevented the more experienced men from remaining with the Division. The Coordinator

<sup>52</sup> Mr. Rockefeller testified before Congress on April 21, 1943, that the policy of the OCIAA in the cultural field was to "confine our activities to the more temporary and, shall we say, emergency programs" (*Hearings, H.R., 1944, Pt. 1, p. 179*). All activities in the long-range and continuing cultural program, he noted had just been turned over by agreement to the Cultural Relations Division of the Department of State to the extent of an amount estimated at over \$1,238,000 (*ibid.*, p. 283).

<sup>53</sup> Memorandum, Rice B. Ober to Don Francisco, December 30, 1943, concerning transfer of cultural relations activities to the Department of State.

<sup>54</sup> Dudley B. Bonsal to Harry Pierson, October 10, 1944.

<sup>55</sup> Memorandum of meeting of January 12, 1944.

also pointed out that the same conditions should hold good in regard to the Cultural Relations Attaches, who should be recognized figures in the cultural world and who should be given full facilities in the Embassies to carry out the program. He felt that at this time their salary schedule was too low and that they did not enjoy a position of such dignity as they should have, as representatives of the culture of the United States. In regard to procedure, Mr. Rockefeller pointed out that clearance of projects of the Division of Cultural Relations was slow, and that a paradox existed in the fact that while CIAA projects were cleared by the Cultural Relations Division, the latter's projects had to be cleared by other divisions of the Department of State, causing interminable delays. He felt that this again was due to the fact that the Cultural Relations Division had not been given full standing in the Department. He also felt that fiscal procedures were too complex, resulting in great delay in carrying out cultural projects in the field. With most of the recommendations presented by the Coordinator, Assistant Secretary of State Shaw, present at the meeting, was in agreement.<sup>56</sup>

One operation in the United States was handled cooperatively by the two agencies. This was the establishment in Miami, Fla., on August 5, 1942, of a joint office to provide various information services to incoming and outgoing passengers to the other American republics. While the Miami office personnel was never large, its establishment was very useful since a great number of officials and personages from the other American republics passed through the city while traveling by air.

In the field of economic development procedural relationships between the Office of the Coordinator of Inter-American Affairs and the Department of State were never developed as in the case of the cultural relations program. In the first year of its existence, the Office worked with various agencies in connection with commercial and financial matters, but possessed no real field program that would bring up serious policy matters of concern to the Department.<sup>57</sup> With the establishment of the Board of Economic Warfare and participation by the Office in the work of the American Hemisphere Division of that Board in November 1941, followed subsequently by separation from

<sup>56</sup> *Ibid.* Elimination of some problems was stated to be in prospect in connection with a proposed State Department reorganization planned at the time.

<sup>57</sup> Liaison in regard to such projects as elimination of Axis airlines had been usually carried out through joint committee membership.



the Office of most of its functions in the economic field, the program in this field had been largely curtailed.<sup>58</sup> By the summer of 1943 the Office was again ready to present a program, and in the middle of August 1943, a series of meetings to discuss allocation of responsibility in the field of economic development of the other American republics<sup>59</sup> were held in the office of Under Secretary of Commerce Wayne C. Taylor. The Coordinator and representatives of the Department of State in the economic field were present. Memoranda had already been submitted by the Coordinator to the State Department in connection with the matter, making certain suggestions. It was indicated that Under Secretary of State Welles had questioned the function of the Office of the Coordinator of Inter-American Affairs in coordinating such programs: Mr. Rockefeller made it clear that he was "not concerned with details of wording but very much concerned that the Department of State should either clearly acknowledge the role of the Coordinator of Inter-American Affairs in this area or the decision should be taken that the Coordinator's Office would have nothing to do with the economic development programs and policies of the United States Government as affecting the other American republics."<sup>60</sup> In reply to this, Mr. Emilio Collado, representing the State Department, indicated that the "Department definitely recognized that the Coordinator should participate within the framework of policies set by the Department," and that he felt that an agreement could be worked out for the establishment of a liaison group between the agencies concerned.

By August 26, a memorandum was finally drafted and submitted to the Department of State for consideration.<sup>61</sup> Arrangements were predicated on the assumption that the Department of State would centralize under one person a division in the Department of State for coordination of all activities bearing on inter-American economic problems. The major burden and responsibility for an inter-American economic development program was stated to rest with the Department of State and the Department of Commerce; however, it was felt that the Office of the Coordinator working in close collaboration with these two departments could be of effective assistance in pro-

posing plans and programs for consideration, in working out procedure for the execution of programs, and in assisting the departments by coordinating and implementing the work as well as in carrying out certain specific projects. The Inter-American Development Commission was held to be a good medium for operations. In regard to procedure in approving various proposed activities expected to be developed, it was proposed that regular meetings, at which the Department of Commerce, the Department of State, and the Coordinator's Office would be represented, would be held to consider studies and recommendations. Following discussions, final official clearance of individual programs would be obtained from the Department of State before final action was taken. When individual programs had been approved, there was to be full agreement as to how and by whom the projects would be undertaken. It was recognized that the effectiveness of an Inter-American Economic Development program would depend largely on the completeness of the liaison between the agencies represented.<sup>62</sup> Within the Office of the Coordinator of Inter-American Affairs, a new Department of Economic Development was created to assume responsibility for all work pertaining to the economic development of the other American republics as carried out by the Office, and for executing such assignments as were made by the Steering Committee on Inter-American Economic Development, as the new liaison group was called.<sup>63</sup>

The Department of State accepted the memorandum as a workable basis for cooperative action in the inter-American economic field, and the liaison group already informally established was instructed to continue its work.<sup>64</sup> That all did not work smoothly in the next several months is evidenced by a memorandum of January 1944, which listed as the main problem of the Office in the field of economic development the necessity that the Department of State stick to the formation of policy and stay out of operations. It was also felt that it was essential that there be an agreement that the Office be responsible for all post-war economic development planning and programs, and that the State Department agree to utilization of the Inter-American Development Commission

<sup>58</sup> See chapter 17 for discussion of this matter.

<sup>59</sup> These meetings were held August 16 and 19 inclusive.

<sup>60</sup> Memorandum No. 1, August 16, 1943.

<sup>61</sup> The memorandum was presented September 13, 1943, (as noted in a letter from E. R. Stettinius to Nelson A. Rockefeller, October 19, 1943).

<sup>62</sup> Memorandum on "Department of State and CIAA relations in connection with an inter-American development program." The Department of Agriculture and the Export-Import Bank were added to the agencies represented originally.

<sup>63</sup> John C. McClintock to A. J. Bush, September 13, 1943.

<sup>64</sup> E. R. Stettinius to Nelson A. Rockefeller, October 19, 1943.

and the coordination committees of the Office on economic matters.<sup>65</sup> In May, the Coordinator wrote to the Director of the Office of Economic Affairs of the State Department noting that the Mexican-American Commission for Economic Cooperation (the only area in which economic development under the Steering Committee on Inter-American Economic Development had been attempted was in Mexico) had "looked to the Department of State for policy guidance" and that from time to time it had "called the Department's attention to the fact that no policy commitments had been finished."<sup>66</sup> Meantime in April an inter-departmental Executive Committee on Economic Foreign Policy had been established in accordance with a letter of President Roosevelt's to the Secretary of State on April 5, which stated in part as follows:

It is my expectation that major inter-departmental committees concerned with foreign economic affairs including those established in the Department of State will be appropriately geared into this Committee.<sup>67</sup>

As a result of this, the existing Committee on Inter-American Economic Development had been reconstituted as a subcommittee of the new Executive Committee on Economic Foreign Policy. The executive Committee decided the chairmanship of the Committee should be assigned to the Foreign Economic Administration and the "terms of reference" for the new subcommittee which was set up on May 9 were as follows:

(1) To review the activities of existing governmental agencies, inter-governmental agencies, inter-governmental commissions, and Fomento Corporations in respect to inter-American economic development. To make recommendations with respect to the policies and practices of these agencies, and to examine in particular the question of United States participation in Fomento Corporations and joint commissions for economic cooperation.

(2) To formulate a general policy for the United States Government with respect to inter-American economic development, with consideration of the part to be played in this development program by United States business enterprise, the principles upon which development projects should be supported in various countries, and the extent to which government agencies are to participate in the program.

(3) To prepare a report upon each of the above matters for the Executive Committee on Economic Foreign Policy;

<sup>65</sup> John C. McClintock to Nelson A. Rockefeller, January 13, 1944. The idea of making the Office responsible for postwar economic development was of course counter to the general policy to the Department of State that the OCIAA was solely responsible for emergency wartime operations.

<sup>66</sup> Nelson A. Rockefeller to Harry C. Hawkins, May 27, 1944. The letter was in connection with a memorandum which suggested certain limitations on the operations of the Mexican-American Commission.

<sup>67</sup> Cited from letter of Dean Acheson to Nelson A. Rockefeller, May 17, 1944.

and thereafter either to be terminated, or to continue under further instructions from the Executive Committee.<sup>68</sup>

At the next meeting of the Joint Committee on Policy Mr. Rockefeller, in discussion before the Committee, took exception to the fact that a representative of the Foreign Economic Administration had been named as Chairman of the new Subcommittee on Inter-American Development, on the basis that in accordance with his conversations with the Bureau of the Budget and the head of the Foreign Economic Administration it had been decided that for the time being OCIAA should be responsible for economic development in Latin America, and that money for this purpose had been included in the Office budget for the fiscal year 1945 instead of in the budget of the Foreign Economic Administration.<sup>69</sup> The request was not acceded to by the Department of State. The first meeting of the Committee on Inter-American Economic Development was held June 2, 1944, and in discussion on the Committee's authority, it was apparent that the representatives of the Department of State and of the Foreign Economic Administration considered that this Committee would make recommendations covering both formulation of policies and execution thereof.<sup>70</sup> In subsequent meetings the Committee largely devoted its effort to an examination of the activities of the Mexican-American Commission and made few if any decisions on policy matters.<sup>71</sup>

In October, procedure for the efficient handling of working relations between the State Department and the Office of the Coordinator of Inter-American Affairs was developed in discussion first in the Department and then in meetings between representatives of the two offices.<sup>72</sup> In this memorandum the head of the American Republics Affairs Division of the Department of State was made its Chief Liaison Officer while the Office named one of the Assistant Coordinators as its representative. Weekly meetings between repre-

<sup>68</sup> *Ibid.*

<sup>69</sup> Minutes of Joint Committee on Policy, May 25, 1944.

<sup>70</sup> Memorandum on meeting of Committee on Inter-American Economic Development, June 2, 1944.

<sup>71</sup> John C. McClintock to Nelson A. Rockefeller, August 19, 1944. Mr. McClintock noted that at the third meeting of the Committee on June 16, seven policy items were submitted for consideration by OCIAA but no policy had been established on any one of them. He blamed the failure to the fact that operating details and procedures were receiving greater attention than policy and that through the committee system, subordinates only were considering formulation while top policy makers were not giving it their attention.

<sup>72</sup> Memorandum, Norman Armour to Messrs. Rockefeller, Taft, Haley, Dickey, Lynch, October 4, 1944. Mr. Laurence Duggan, who had long served as the principal liaison officer for the State Department with the Office, had recently resigned and Mr. Armour had taken his place.

representatives of the Department of State and the Office were to be continued and the Department was to make every effort to give prompt attention to policy questions placed before it by the Coordinator.<sup>73</sup>

Relationship between the representatives of the Department of State and the Coordinator's Office in the field were established at the time the coordination committees were created, to remain substantially the same in following years. An agreement was signed by Secretary of State Hull and by Nelson A. Rockefeller in August 1941, to the following effect:

(1) The Coordinator's Office had a nondelegable responsibility for the funds granted to it. The State Department was responsible for the execution of all official business outside the United States.

(2) The Chief of Mission was responsible for the supervision of local groups and for facilitating and implementing of programs in the field.

(3) Some one person in each Mission was to be charged with the responsibility of carrying out the Embassy's duties in this connection.<sup>74</sup>

Where it seemed necessary, the Department was to appoint a special assistant within the Auxiliary Foreign Service to devote his entire time to the new programs.

The Office also regularly cleared all persons leaving for the field with the Department of State,<sup>75</sup> this action caring for approval by the local United States Mission in the country concerned of personnel to operate there.

When the first Health and Sanitation Division field parties were set up, the general line of procedure already established was extended to them. The Chiefs of Field Parties were instructed to discuss in detail with the Chief of Mission in the country concerned the program planned, and all matters of policy were to be cleared with him before discussions were started with representatives of the local governments. The United States Ambassador or Minister was likewise to be kept fully informed at all times as to the progress of programs and might assist in their execution.<sup>76</sup>

<sup>73</sup> Mr. John Dreier was named chief liaison agent for the Department Mr. John McClintock for the Office. Liaison channels in all matters pertaining to the information program were already worked out, and arrangements for clearance were left as they were. Bernard J. McKenna, Executive Director of the Economic Development Department, was designated liaison officer for OCIAA for all economic matters (McClintock to Robert J. Lynch, November 9, 1944).

<sup>74</sup> The agreement was signed by Secretary Hull on August 16 and by Nelson A. Rockefeller on August 19, 1941. (See Chapters 19 and 20 for further discussion of field relationships).

<sup>75</sup> G. Howland Shaw to Wallace K. Harrison, September 9, 1942.

<sup>76</sup> J. C. McClintock to Laurence Duggan, March 25, 1942.

Relations between the Embassies and the field parties of the Institute varied from country to country; in most cases the United States Ambassador had little to do with the latter's operations, and according to some CIAA officials, usually showed little interest, due partly to lack of information on specific objectives of portions of the program.

In March 1944, at a meeting of the Joint Committee on Policy, it was pointed out that in the American Republics Affairs Division of the State Department there had been considerable discussion of the use of the "servicio" system in carrying out the program of The Institute of Inter-American Affairs.<sup>77</sup> The concern of the State Department in this case was as to whether in the future a hostile government in the local country might be critical of the existence within the structure of the local government of an organization headed by a citizen of the United States. The representatives of the Office did not agree with this opinion, holding that the "servicios" had functioned well and had definite advantages, and that they were considered by the Office as a step forward in international relations and cooperation. They also pointed out that the Rockefeller Foundation had long used the system<sup>78</sup> and that the other American republics were accustomed to them, and finally noted that the transfer of responsibility to the local government would occur as soon as possible. A suggestion by the Department of State at that time that such programs might be handled by grants-in-aid only was opposed by the Coordinator's Office, since the Coordinator was responsible to Congress for the expenditure of funds.

Although the Office of the Coordinator of Inter-American Affairs had never been able to start an extensive program in regard to economic activities, it was included in instructions issued by President Roosevelt to the Department of State in March 1945:

Much good work has already been done to assure that the economic personnel of the various government agencies who are stationed abroad work together as a team, but I should like to see this trend carried further. Effective foreign operation demands a centralization in each country of responsibility for the activities of all of our civilian economic representatives.

<sup>77</sup> Minutes, Joint Committee on Policy, March 9, 1944. (See chap. for discussion of the "servicio.")

<sup>78</sup> It should be noted, however, that the system used by the Rockefeller Foundation was not exactly the same, being much more advisory in character.

I realize that it is not often feasible for the chief of mission to take upon himself personally the task of supervising the activities of the economic personnel within his area, and that, in a number of cases, the chiefs of mission have delegated their authority in such matters to principal economic officers. I would like to see the application of this principle extended to the end that the activities abroad of economic personnel of all civilian agencies be supervised in each country by an economic counsellor or, where appropriate, an eco-

nomie minister — of course, on the pay roll of the Department of State.<sup>79</sup>

A copy of this instruction was forwarded by the White House to the Coordinator, requesting him to cooperate with the Secretary of State in working out arrangements in detail.<sup>80</sup>

<sup>79</sup> Franklin D. Roosevelt to E. R. Stettinius, March 20, 1945.

<sup>80</sup> Franklin D. Roosevelt to Coordinator of Inter-American Affairs, March 23, 1945.

## RELATIONS OF CIAA WITH OTHER INFORMATION AGENCIES

The Office of the Coordinator of Inter-American Affairs was not to be the only agency of the United States Government interested in information activities. Operating in the same general area over the period of the war years were the Coordinator of Information, the Office of Facts and Figures, and later, a consolidation of functions of these agencies and other organizations to form the Office of War Information. Definition of relative responsibilities between each of these agencies and CIAA was to be a matter of negotiation on several occasions.

The Office of the Coordinator of Information was created by an order of President Roosevelt in his capacity of Commander-in-Chief of the Army and Navy under date of July 11, 1941. The Coordinator of Information had authority to collect and analyze all information and data which might bear upon national security; to correlate such information and data and make it available to the President and such departments and officials of the government as the President might determine; and to carry out such supplementary activities as might facilitate the securing of information important for national security not then available to the Government.<sup>1</sup> A White House statement issued the day after the creation of the Office indicated that the task of the Coordinator of Information was not intended to "supersede or to duplicate or to involve any direction of or any interference with the activities of the General Staff, the regular intelligence services, the Federal Bureau of Investigation, or of other existing departments and agencies."<sup>2</sup> Under date of July 14, 1941, President Roosevelt directed the Coordinator of Information to assume responsibility in

connection with international broadcasting relating to the achievement of morale objectives abroad.<sup>3</sup>

The two Coordinators got together early in September to work out methods of cooperation in the information field, with an arrangement made for the Office to designate a representative to occupy a place with the New York staff of the Coordinator of Information. The Office also indicated that its members were at the disposal of Colonel Donovan for meetings of "directive" and "generating" committees which the latter proposed to establish.<sup>4</sup> On September 10 a representative of the Office met with the "Donovan group"; a memorandum on the meeting indicated that no State Department representatives were present and that certain jurisdictional difficulties might arise between the Coordinator of Information and the State Department in regard to short-wave radio plans. It was indicated that the policy of the Office at the moment was to watch developments closely, but to retain a position only as an observer for the time being.<sup>5</sup> A week later, members of the two agencies again met and the representative of CIAA noted that the representatives of the Coordinator of Information deferred to him in regard to Latin American items and that plans for cooperation were working out very well. Weekly conferences between representatives of the two organizations continued with a regular system of liaison at operating levels also established. On September 20, the Coordinator of Information instructed his staff that every message bearing on Latin America was to be shown to the representative of the Coordinator of Inter-American Affairs before dispatch.<sup>6</sup> Cooperation seemed excellent

<sup>1</sup> F. R. Doc. 41-4969; Files July 12, 1941. Colonel William J. Donovan was designated as Coordinator of Information. It is interesting to note that this is not an Executive Order, as was used in the case of the establishment of most other agencies of the period.

<sup>2</sup> *New York Times*, July 12, 1941.

<sup>3</sup> Colonel William J. Donovan to Nelson A. Rockefeller, October 9, 1941.

<sup>4</sup> Carl B. Spaeth to Nelson A. Rockefeller, September 8, 1941.

<sup>5</sup> Carl B. Spaeth to Nelson A. Rockefeller, September 15, 1941.

<sup>6</sup> Joseph Barnes to Colonel Donovan, October 5, 1941. Mr. Duncan Aikman was a representative of the Office to the Coordinator of Information.

despite minor misunderstandings which had arisen at the beginning.<sup>7</sup>

Meanwhile, the Office of the Coordinator of Inter-American Affairs had been developing plans for its own radio operations, and on October 4 a representative proposed to an official of COI that the broadcasting of all news to or about Latin America be taken over by the Office. Financial arrangements had been worked out to that effect and a separate organization would be set up, located near the New York offices of COI.<sup>8</sup> The same incoming news would be used by both, and their materials for Latin American transmission would go direct to Stanley Richardson, Coordinator of International Broadcasting. All copy sent out by the Coordinator of Information would be examined by Office representatives and they would select that portion of it which they might regard as desirable for Latin America, informing stations that other copy was not to be sent to Latin America. CIAA on its part would have no concern with stories which had no relationship to the other American republics.

Officials of COI refused to accept the idea as first proposed to them on the basis that psychological warfare could not be conducted without unification of both command and execution.<sup>9</sup> They were particularly concerned with relationships with the broadcasting companies, feeling that the latter would play one agency against another to the detriment of the program.

The two Coordinators met on October 8 to discuss matters, and Mr. Rockefeller proposed to submit in writing a plan of operation.<sup>10</sup> Before this was received by Colonel Donovan, however, the latter expressed in a letter to Mr. Rockefeller his considered position in the matter. He pointed out that the President had assigned to him responsibility in regard to international broadcasts relating to the achievement of morale objectives abroad. Under this authority he felt that the interests of the national welfare meant that the entire job must be done by a unified front of various governmental agencies under his direction, and that although he wished to work out an arrangement to allow Mr. Rockefeller full satisfaction in meeting his obligations to Latin Ameri-

ca, he felt that the responsibility for the entire program rested solely with him. Therefore, while he wished to offer all possible cooperation, he felt that he could not

. . . enter into a compromise in the manner of putting out of material. This can be effectively and efficiently done by only one agency. As a matter of practical operation, only one agency can deal with the broadcasting companies (except not to infringe upon the F. C. C.) in the transmission of news and in the matter of program schedules, direction of beams, and all the mechanical matters pertaining to transmission and retransmission.<sup>11</sup>

Colonel Donovan then went on to point out problems in connection with negotiations with the broadcasting companies, in which CIAA had been prepared to offer subsidies to the radio companies while the Coordinator of Information had been talking with them on the basis of expansion of their schedules and facilities as a contribution to the national war effort. He concluded that in his opinion this was "a matter of major policy" and that "there should be only one representative of the government in this field dealing with the broadcasting companies." He closed by stating that while he accepted Mr. Rockefeller's statement that he was acting for the State Department in Latin America, and that his plan of independent operation had been approved by the President, until a new directive had been sent him by the President he would have to continue to meet his obligations in the manner in which he saw them.

Mr. Rockefeller replied to the Coordinator of Information on October 13, 1941, and after reviewing the orders under which his Office had been established and the authority and responsibility which had been assigned to it, stated that:

In the performance of the duties imposed upon him, the Coordinator of Inter-American Affairs understands that he is charged with the duty, in cooperation with the Department of State, of disseminating information through the regular channels, such as the press and the radio, to the other nations of the Western Hemisphere; that he is charged with responsibility for the stimulation and dissemination of information and news in the United States of America concerning the other nations of the Western Hemisphere and that he is responsible in cooperation with the Department of State for the coordination and supervision of news originating from official sources in the United States of America which might affect the other American republics. In order to carry out his duties and responsibilities as aforesaid, the Coordinator deems it necessary to continue to maintain and undertake such relationships and negotiations and conclude such arrangements with the proper news agencies, radio and motion picture companies and all public or private agencies, as may be affected by or in any way connected with the dissemination of such news and information.

<sup>7</sup> Nelson A. Rockefeller to Colonel William J. Donovan, October 4, 1941. This letter expressed full appreciation for cooperation from the staff of COI.

<sup>8</sup> Barnes to Donovan, October 5, 1941. Frank Jamieson, head of the Press Division, advanced the proposal.

<sup>9</sup> *Ibid.*

<sup>10</sup> A draft of the proposal to be submitted is in agency files; the letter evidently was not sent due to receipt of Colonel Donovan's letter.

<sup>11</sup> Colonel William J. Donovan to Nelson A. Rockefeller, October 9, 1941.

In connection with the Order of the Council of National Defense establishing the Office for Coordination of Commercial and Cultural Relations between the American Republics, dated August 16, 1940, and the second Order of the President creating the Office of the Coordinator of Inter-American Affairs, dated July 30, 1941, and redefining the duties of that Office, said Coordinator of Inter-American Affairs has received certain proposals and carried on certain negotiations with long and short wave broadcasting companies. In so doing, this Office has recognized that it is dealing in matters involving high Government policy. The contract under which this Office supplied financial assistance to the World Wide Broadcasting Company, designed to establish Station WRUL as the most powerful short wave radio station in North America, was signed with the full knowledge and approval of the highest authorities in this Government. In continuing said negotiations with long and short wave broadcasting companies, the Office of the Coordinator of Inter-American Affairs with funds in excess of \$1,000,000 for the purpose of carrying on radio projects [sic].

The clarification of our relationship I am sure will help to carry out the President's intentions in setting up our respective offices and will enable us to cooperate to the fullest extent which I know is your desire as much as ours.

In view of the differing interpretations as to authority held by the two agency heads, it was clear that "the Coordinators would have to be coordinated," in a catch phrase of the day, by a statement from the White House. This was done in a letter of President Roosevelt on October 15, 1941, to Colonel Donovan:

It appears that some question has been raised as to the fields of responsibility of your work and that of Nelson Rockefeller's organization.

I continue to believe that the requirements of our program in the Hemisphere are quite different from those of our programs to Europe and the Far East.

In order that information, news and inspirational matter going to the other American republics, whether by radio or other media, may be carefully adapted to the demands of the Hemisphere, it should be handled exclusively by the Coordinator of Inter-American Affairs in cooperation with the Department of State. The same office must also make the proper arrangements with both Government and private agencies for the dissemination of this information.

I am confident that your organizations will effectively correlate activities in their respective areas, thereby avoiding confusion in contacting radio companies and other private agencies.

Cooperation with the Department of State by you and Nelson will avoid misunderstandings and insure the proper directives on basic questions of foreign policy.

With the matter of authority clarified, representatives of the two agencies met on October 24, to work out their plan of operation. At this meeting they agreed on a plan by which all copy prepared for short wave broadcasts would be cleared through the New York office of the Coordinator of International Broadcasting.<sup>12</sup> Material prepared

<sup>12</sup> Report of meeting, October 24, 1941.

by CIAA would be sent bearing a title "For Latin America Only," while all copy prepared for broadcasters by COI would be entitled "World-Wide Except for Latin America." The representatives of both agencies would be able to use the other's copy in their own areas if they desired to do so. Whenever the representative of CIAA noted a story of the other agency which he felt would be harmful to inter-American affairs, the matter could be discussed in order to eliminate harmful materials. The same procedure would be followed when the representatives of COI believed that stories sent to the other American republics would be harmful to relations of the United States with other areas of the world. If no agreement could be reached in New York, the problem would be referred to the Washington offices of the agencies and if not composed there, would go to the State Department for final decision.<sup>13</sup> Representatives of the Office proposed formation of a joint desk for operations but officials of COI felt that this would cause loss of speed and authority at a time when it might be needed. On its part, CIAA insisted that all copy clearing for broadcast to Latin America was to be handled by it as a separate government service.

There was still one basic difference of opinion, and this was on the question of subsidies to the broadcasting companies, which CIAA had favored. At the meeting on October 24, representatives of the two agencies could not come to an agreement upon this matter.<sup>14</sup> However, no difficulty was to arise on this score, for CIAA abandoned for the time being its plan to subsidize or buy time on certain stations, and so notified the Coordinator of Information.<sup>15</sup>

The two agencies found little difficulty in working out their respective time schedules for broadcasts. The interest of COI lay particularly in proper utilization of the hours between 10 a.m. and 4 p.m., E.S.T., while CIAA was interested in the hours between 4 p.m. and midnight.<sup>16</sup> In negotiations with the broadcasting stations, the programs scheduled for the entire period were submitted by the agencies jointly, with one man representing each office.

<sup>13</sup> A representative of COI noted that this meeting showed plainly that actually there was "not a great deal of conflict or basic disagreement in the news operations of the two offices" (Nelson Poynter to Colonel Donovan, October 25, 1941.)

<sup>14</sup> Don Francisco to Nelson A. Rockefeller, October 25, 1941.

<sup>15</sup> Don Francisco to Wallace K. Harrison, November 12, 1941.

<sup>16</sup> Don Francisco to Nelson A. Rockefeller, October 25, 1941. The latter agency gave up time on one station for broadcasters in English to United States armed forces in Iceland and other parts of the world.

By November 15, the two agencies had worked out their operating relationships and broadcasting activities were proceeding smoothly, according to information given by them to the Bureau of the Budget.<sup>17</sup> The President had requested the Budget Director to follow up with the two agencies his decision on short wave broadcasting in order to see that proper relationships had been worked out. Mr. Smith at this time suggested that the two Coordinators work with Archibald MacLeish, Director of the Office of Facts and Figures, as an informal strategy committee for the purpose of correlating all defense information policies. Regular liaison was established between the two agencies in regard to different phases of activity by January.

During the fall of 1941, CIAA had been assigned leadership in making a survey by all interested governmental agencies of existing facilities for communication by radio, cable, telephone, telegraph, and allied media in the American republics.<sup>18</sup> This committee reported in January 30, 1942, recommending that the existing short wave broadcasting facilities in the United States be coordinated, that they be further developed, and that means be found to meet the financial problem involved. In carrying out the short wave facilities program, it was highly desirable that the Government deal with the six private companies involved through a single Government channel. Although COI had a larger territory to cover in the broadcasting program and might have tried to gain control over the entire project for government use of broadcast facilities, the two agencies were able to get together in working out a plan of operations. A joint request was presented to the President for the necessary authority to carry out negotiations with the private companies for the leasing of all or part of these facilities. They likewise planned to arrange for additional transmitters.<sup>19</sup> Under the authority granted by the President, the agencies started working toward full control of all short wave broadcasting facilities in the United States.

At the same time that the two Coordinators were solving their problems in connection with information outside the United States, another agency had been created with certain responsibilities in the informational field within the United

<sup>17</sup> Harold D. Smith to Nelson A. Rockefeller, November 15, 1942. Incidents on the operating level, resulting from differences of opinion over authority and procedure, occurred at times.

<sup>18</sup> See chapter 5.

<sup>19</sup> Draft memorandum of February 28, 1942, to the President from William J. Donovan and Nelson A. Rockefeller.

States. This was the Office of Facts and Figures, established by Executive Order 8922 on October 24, 1941, within the Office for Emergency Management.<sup>20</sup> In connection with this Office a committee, first called the Committee on Defense Information and subsequently the Committee on War Information, was established to constitute an interdepartmental machinery for discussion of war information policy problems; the Coordinator of Inter-American Affairs was a member of this Committee. The Office of Facts and Figures was assigned the task of reporting to the nation the facts and figures of national defense, a task which was greatly increased with the coming of war. Following the declaration of war, certain additional duties were assigned to the Office:

1. Interdepartmental clearance in advance of delivery of the speeches of administrative officials, i.e., Secretaries of departments, Under Secretaries and Assistant Secretaries, Federal Administrators, heads of independent agencies and boards, and their chief responsible assistants. By Presidential direction.
2. Clearance and coordination of government requests for radio time, and the maintenance of coordination relationships with the radio broadcasters and Government agencies. By Presidential direction.
3. Clearance and coordination of Government posters and graphics connected with the war effort. By direction of the Committee on War Information and agreement of other agencies affected.

In regard to these functions, CIAA was affected in common with other governmental agencies.

Immediately after creation of the Office of Facts and Figures, its Director wrote to the Coordinator of Inter-American Affairs noting the creation of the agency, outlining its duties, and indicating that he would like to work out with Mr. Rockefeller a plan for full cooperation. While no memorandum of agreement between the two agencies has been found, apparently the Director and the Coordinator worked out a plan for relationships which included the usual liaison contacts and a regular weekly meeting at which the Coordinator of Inter-American Affairs likewise was to be present.<sup>21</sup>

While possible conflict might have arisen between the two agencies in connection with the Coordinator's program in the United States, this does not seem to have developed since the Coordinator's Office was primarily interested in working with citizens of the United States to increase their understanding of inter-American affairs through ordinary educational channels and

<sup>20</sup> Archibald MacLeish was appointed Director of the Office.

<sup>21</sup> Archibald MacLeish to Nelson A. Rockefeller, March 20, 1942.



through inter-American centers, rather than by direct issuance of statements.<sup>22</sup> The authority of OFF to clear printed matter for distribution in the United States was well established, as was likewise its control over network time on the radio, through an Assistant Director of OFF who had been appointed by the President to coordinate the use of the national network facilities.

In the latter field Mr. Rockefeller was interested in sending transcriptions of United States programs directly to some sixty Spanish language broadcasting stations in the other American republics. Before they were sent, they were cleared with the Office of Facts and Figures.<sup>23</sup>

In the early months of 1942, the Administration began to consider a reorganization of information activities of the Government in order to draw all such effort into a single coordinated program. As early as March 3, 1942, an Assistant Director of OFF confirmed to a member of CIAA a report that the Bureau of the Budget had prepared a statement for the President on this coordination of all information activities of the Government, and that he would soon receive it if it had not already reached his hands. What effect this new report might have was not yet certain, but it was believed possible that there might be established a completely centralized control over all information activities of all governmental agencies; the official of OFF believed at this time that the supervising agency probably would be his Office.

The report made by the Bureau of the Budget proposed the coordination of all information activities, both foreign and domestic, under a single new agency in order to gain the advantages of a unified policy in regard to all war information.<sup>24</sup> Drafts of the proposed executive order as first developed included among the functions granted to the new agency all powers and duties of CIAA relating to the gathering and dissemination of public information, including press, motion pictures, and radio.<sup>25</sup> Obviously, this would have meant drastic curtailment of the activities of CIAA, for at this time it was becoming clear that it would lose functions connected with the economic field to the Board of Economic War-

fare. The only program remaining, if information activities were to be eliminated, would be the new program under way in connection with health and sanitation, and complete liquidation of the agency was definitely a possibility.

For these reasons the Coordinator made a vigorous fight to preserve his authority over information activities in the other American republics. He was backed in this by the Department of State, which felt that the program of the agency was now developed in such a way that it was of value in the development of hemisphere policy. On March 17, 1942, Under Secretary of State Sumner Welles addressed a letter to President Roosevelt noting that CIAA had given close and satisfactory cooperation with the Department of State, and that it was the opinion of the Department that it would be unfortunate to transfer any portion of his functions to a new agency. If this were done, it was felt this would result in confusion until the new agency had worked out its plans for operation and, that the current world situation was so critical that this would be a serious matter. For these reasons the State Department proposed that the Western Hemisphere be excluded from the field of foreign operations of the new war information agency.

Discussions on the jurisdiction of the new information agency continued during the next several weeks, with the Bureau of the Budget maintaining its stand that all information activities both domestic and foreign, should be combined under a single director, while the Coordinator and the Department of State opposed inclusion of activities in the other American republics. According to statements of officials of the agency, the Bureau of the Budget's proposed executive order at least once was within a few hours of signature by the President, and only a last-minute personal appeal to Vice President Wallace by the Coordinator averted action. Mr. Wallace, who had become much interested in hemisphere matters by this time, advocated further discussions of the plan before its final settlement.

It was still impossible to reconcile the two opposing points of view. In early May, Under Secretary of State Welles wrote a personal and confidential letter to Mr. Rockefeller in which he stated that he had just spoken to the Attorney General over the telephone and that the latter, understanding the opposition of the State Department to the proposed executive order creating a war information office, felt that he under-

<sup>22</sup> An official of the Radio Division on one occasion stated that contracts with OFF tended to be informal and that as time passed, less and less time was needed for liaison work (Russell Pierce to Arthur Jones, August 24, 1942).

<sup>23</sup> J. H. Draxler to D. Saposs, June 3, 1942.

<sup>24</sup> The reorganization from the White House end was reportedly in the hands of Judge Samuel Rosenman, Special Adviser to the President.

<sup>25</sup> Draft of March 23, 1942.

stood that it was the position of the Director of the Bureau of the Budget that the whole question should now be laid before President Roosevelt for final decision.<sup>26</sup> Mr. Welles wrote to Mr. Smith on the same day indicating that he believed that the program to be carried out by the war information office should be determined by a policy board upon which members of the Cabinet would be represented, and defining his position in regard to the status of the Office of the Coordinator of Inter-American Affairs as follows:

I further believe, as I have had the opportunity of stating to you upon repeated occasions, that the Office of the Coordinator of Inter-American Affairs should remain as a separate and autonomous agency of the Government, but that the Coordinator should be designated as a member of the policy board above suggested and further, of course, that the Coordinator, like all other heads of departments or agencies of the Government, would necessarily be bound by the policies determined upon by the policy board.

Mr. Welles added that the issues had been discussed with the Secretary of State and that he expressed the latter's views as well as his own.<sup>27</sup>

The following day Mr. Rockefeller also wrote to the Director of the Bureau of the Budget, noting that he had discussed at some length with Under Secretary Welles the proposed executive order creating a new war information office concerning which they had spoken a number of times, and stating his stand in the matter in about the same words that Under Secretary Welles had used:

I am completely in accord with the views of the Under Secretary of State in connection with this matter; namely, that the Board of the Office of War Information should determine, subject to directives from the President, the policies of war information; that the Board should be composed, among others, of the Secretaries of State, War, and Navy; that the Coordinator of Inter-American Affairs should be a member of the Board; that his office should be governed by the policy directives on war information of the Board; that subject to these directives, the Office of the Coordinator of Inter-American Affairs should continue to have the sole responsibility for the preparation and dissemination of war information in the other American republics to be carried out as an integral part of its present overall program in cooperation with the Department of State.

The foregoing would insure an effective combination of overall United States war information policy with the maintenance of a sense of Hemispheric unity which is so necessary if we are to command the utmost confidence of the people of the American republics.<sup>28</sup>

Eventually, the position of the Coordinator and the State Department was accepted by

<sup>26</sup> Sumner Welles to Nelson A. Rockefeller, May 12, 1942.

<sup>27</sup> Sumner Welles to Harold D. Smith, May 12, 1942, personal. A copy of this letter was sent to the Coordinator.

<sup>28</sup> Nelson A. Rockefeller to Harold D. Smith, May 13, 1942.

the President and when Executive Order 9182 creating an Office of War Information was issued on June 13, 1942, it included a paragraph which specifically stated "the authority, functions, and duties of the Director (of the Office of War Information) shall not extend to the Western Hemisphere exclusive of the United States and Canada."

Several agencies and parts of others were consolidated to form the Office of War Information: the Office of Facts and Figures, the Office of Government Reports, the powers and duties of the Division of Information of the Office for Emergency Management with one minor exception, and the powers and duties of the Coordinator of Information relating to the gathering of public information and its dissemination abroad, including (but not limited to) all powers and duties then assigned to the Foreign Information Service, Outpost, Publications, and Pictorial Branches of the Coordinator of Information. The Office was to be headed by a Director, and policy for the agency was to be guided by a Committee on War Information Policy which consisted of the Director as Chairman, representatives of the Secretary of State, Secretary of War, Secretary of the Navy, the Joint Psychological Warfare Committee, and the Coordinator of Inter-American Affairs, with other members as the Director, with the approval of the President, might determine. This Committee was to formulate basic policies and plans on war information and to give advice with respect to the development of a coordinated war information program.<sup>29</sup> The Coordinator also participated when necessary in the work of the OWI Overseas Planning Board, which handled overseas propaganda policies.

The combination of powers and duties assigned to the several offices which were consolidated into the Office of War Information meant that relationships established by CIAA with the Office of Facts and Figures and the Coordinator of Information would be carried over to the new agency.<sup>30</sup> This meant that liaison between the two agencies would continue to be necessary in

<sup>29</sup> Executive Order 9182, June 13, 1942. This Committee held only one or two meetings.

<sup>30</sup> A memorandum to the staff of CIAA dated June 18, 1942, noted that the duties of the new office were to carry out war information programs at home and abroad; to coordinate the war information activities of all Federal departments and agencies; to analyze information concerning the war effort; to review and approve proposed radio and motion picture programs of Federal departments and agencies; to maintain liaison with the information agencies of the United Nations; and to perform such other duties as the President may determine.

connection with war news releases; clearance of speeches, magazine articles and other publications including posters; and finally (and particularly), in regard to relationships with the radio industry and the motion picture industry. Regulations soon issued by the Office of War Information to the heads of all government departments and agencies which instructed that requests for all domestic radio time desired by government organizations must be cleared with the Office of War Information and likewise that all information for official dissemination outside the continental limits of the United States (except in Central and South America) was to be handled by it, caused some discussion within the Office of the Coordinator since some officials thought it might be well to have the Office issue a parallel letter stating that all information for dissemination in the other American republics was to be handled exclusively by the Office of the Coordinator of Inter-American Affairs.<sup>31</sup> It was finally decided, however, that it was unnecessary for CIAA to make any statement on the matter.

In late July and early August representatives of the two agencies held meetings to see if all points in connection with respective responsibilities had been clarified. In regard to the fields of press, radio, and motion pictures, procedure of clearance between the Office and OWI was found to have been established and was in operation in a manner satisfactory to both agencies. The Office of War Information was in agreement that activities in these fields which were then being carried out by CIAA in the United States should be continued, and were willing to back the Office in requests for additional funds if these were needed.<sup>32</sup> In regard to operational procedures, OWI agreed that the Coordinator would continue to issue its own press releases after clearing such of these as contained war information through regular channels with the proper OWI official, that it would continue direct distribution to newspapers in the United States of feature articles and time copy materials on Latin America which were suitable for domestic publication, and that it would make available to OWI copies of such specially requested articles as might be practical for reprocessing and reuse in the United States. In regard to contacts with the Embassies and Legations of the other American republics,

OWI was to continue to contact these missions directly for news material, but would clear such contacts in advance for the purpose of avoiding duplication with news coverage of CIAA. The Office of War Information United Nations desk was to refer all releases and news matters affecting Latin American governments to the representative of CIAA. On its part, the latter was to supply to OWI texts of speeches, statements, and decrees originating in Latin America when available, and was to supply to OWI copies of all daily and weekly Latin American news round-ups.<sup>33</sup> The Office of War Information was not to make any attempt to service correspondents of Latin American newspapers, radio stations, radio networks, or press associations, and its section which dealt with United Nations news was instructed that it was working for CIAA as much as it was working for OWI since many of the other American republics were members of the United Nations group.<sup>34</sup>

The two agencies continued negotiations which had been started earlier by CIAA and the Coordinator of Information with the short wave broadcasting companies of the United States for the leasing and construction of short wave broadcasting facilities. In the summer of 1942 an Inter-Departmental Planning Committee for International Broadcasting Facilities, composed of the Director of the Office of War Information, the Coordinator, and a member of the Federal Communications Commission, was established to work out a program for improvement in this field. This Committee recommended that the number of short wave transmitters be increased from 14 to 36, and the idea was approved by the Board of War Communications and the Federal Communications Commission.

Discussions in the summer of 1942 between the two agencies contained some question over the respective division of time between the two agencies in regard to the use of short wave broadcasting facilities. A memorandum of one official of the Radio Division noted that it might not be desirable to establish it on a flat basis of one-third of the time for CIAA and two-thirds for OWI, since the former might wish to use more than eight hours and because at this time OWI was not prepared to use total facilities for sixteen hours a day.<sup>35</sup> At this time also it was planned

<sup>31</sup> Don Francisco to Nelson A. Rockefeller, July 22, 1942; D. E. Austin to Don Francisco, July 21, 1942.

<sup>32</sup> Arthur Jones to Francis A. Jamieson, August 8, 1942, describing meeting of July 31.

<sup>33</sup> Francis A. Jamieson to Henry Paynter, August 14, 1942, covering two meetings between representatives of the two agencies on August 13.

<sup>34</sup> Henry Paynter to Francis A. Jamieson, August 21, 1942.

<sup>35</sup> John W. Ogilvie to Don Francisco, August 1, 1942.

that the broadcasting companies bill the two agencies separately and since this might be awkward, it was suggested that a contract be made for a fixed amount each month, which would be paid from one source with inter-agency adjustments made at a later time. The Bureau of the Budget was also anxious to concentrate responsibility in one agency since it desired to achieve a single budgetary responsibility to ensure that the government would deal with the broadcasting companies through a single instrumentality, and to promote efficiency in engineering operations.<sup>36</sup>

An agreement was finally worked out, participated in by the Office of War Information, the Office of the Coordinator of Inter-American Affairs, and the Federal Communications Commission and approved by the Board of War Communications, that the two agencies join in negotiating for the leasing of all short wave facilities in the United States in order to care for the radio program on war information which had been planned.<sup>37</sup> On October 31 the two agencies announced that the short wave broadcasting facilities of the five major companies operating in the United States had been leased for the duration of the emergency.<sup>38</sup>

Under the agreement reached, one-third of the cost of operations was to be borne by CIAA and the remainder by OWI and each was allowed operating time on the same basis,<sup>39</sup> CIAA utilizing eight hours a day starting at 4 or 5 p.m. All costs of the facilities' expansion program were to be borne by OWI and CIAA had the right, if desired, to use one-third of the time on the new transmitters as in the case of the stations first leased.<sup>40</sup>

Some complications were met in attempting to work out the agreement because of the desire of CIAA to purchase for itself the studio facilities of KGEI of San Francisco. The Bureau of the Budget was opposed to this request since OWI had planned studio facilities for itself

and for the Coordinator's Office in San Francisco. CIAA, on the other hand, held that KGEI met its needs adequately, that its operations would be affected by a change, and that it preferred the independent setup because at times CIAA programs had been cut off the air by control engineers of the Office of War Information.<sup>41</sup> Eventually the desires of CIAA won out and purchase of KGEI by the Coordinator was permitted.

In the spring of 1943 a change was agreed upon in regard to use of broadcasting time. Under the original plan of utilizing a maximum of 36 transmitters, 22 were to be used jointly by the two agencies. The Office had found that its plan of using 22 transmitters in a dual program service was not as effective in regard to signal strength as desired, and proposed to OWI that CIAA limit its use to 16 transmitters for more hours per day;<sup>42</sup> certain changes in beaming would give more effective coverage.

Once the agreement in regard to the use of short wave facilities was reached, the agencies in general cooperated in carrying out informational activities along normal routine lines. Since it was necessary to have a common policy in regard to information so that the voice of American would not say one thing in Latin America and another in the rest of the world, the two agencies maintained close contact in the formulation of directives on the interpretation of world events and military and naval progress. Joint meetings were held daily with representatives of the Army and Navy to discuss communiques and to determine policy lines with only occasional minor disagreements arising.<sup>43</sup> After procedures had been worked out, the need for special meetings became less and less and eventually such meetings were discontinued. A member of the Press Division of CIAA was regularly maintained in the OWI News Room to pick up stories of importance to Latin America, and the latter agency had arrangements to pick up and use any CIAA material of value in its program.

The Office of the Coordinator of Inter-American Affairs maintained liaison with the Federal

<sup>36</sup> Harold F. Gosnell, "Information Activities of CIAA" (draft), July 22, 1944.

<sup>37</sup> *Hearings, H.R., 1943 Pt. 1, p. 347.*

<sup>38</sup> Press Release, October 31, 1942. The only company with which agreement was not reached at this time was the World Wide Broadcasting Corporation; on November 2 the agencies issued a press release stating that contracts had not been signed in this case due to disagreement over the price to be paid.

<sup>39</sup> Memorandum of Don Francisco to John W. Ogilvie, dated November 27, 1942, noted that this division of time was not only agreed upon by the Inter-Departmental Radio Committee, but was implied in the directives issued by the President and in the agreements reached between Mr. Elmer Davis and Mr. Rockefeller.

<sup>40</sup> Don Francisco to John W. Ogilvie, November 27, 1942.

<sup>41</sup> Harold F. Gosnell, "Information Activities of CIAA" (draft), July 22, 1944.

<sup>42</sup> Nelson A. Rockefeller to Elmer Davis, May 4, 1943.

<sup>43</sup> A memorandum from Guy C. Hickok to Wilfred S. Roberts, June 10, 1944, for example, complained over some limitation of CIAA radio programs due to OWI rules and the Office's content directives, citing such things as prohibition of quoting enemy sources and describing certain military activities. He argued that conditions in the other American republics were not like in Europe which had no free press, with the result that in Latin America the Office's program was attempting to compete with free local news services which were not limited by rules of OWI.

Communications Commission throughout the war years, with few problems arising between them for settlement. Participation of this agency in short wave broadcast negotiations, as a member of the Interdepartmental Planning Committee on International Broadcasting Facilities, has been noted above. The Foreign Broadcast Intelligence Service of the Federal Communications Commission regularly supplied CIAA with copies of broadcast material sent to and from Latin America. As time passed, analysis of such radio material by the two agencies began to present some duplication. The Federal Communications Commission from the start had conducted an analysis of Latin American broadcast material as an organic part of its analyses of all foreign broadcasts, and in the summer of 1942 it initiated a daily Latin American analysis at the specific request of the Press Division of the Coordinator's Office. During succeeding months, however, the Press Division of CIAA built up its own propaganda analysis unit, and in August, 1943, the Chairman of the Federal Communications Commission wrote to Mr. Jamieson, Director of that Division, and called attention to the fact that the Coordinator's Office had a substantially larger staff analyzing broadcast materials dealing with the other American republics than was the case in the Latin American Analysis Section of the Federal Communications Commission. This presented duplication of effort and an investigation had been made as to some method of eliminating it. At first there seemed to be a possibility of working out a coordination of the two analysis units into a joint operation (as had been done in the case of FCC and OWI), but because of the organization of CIAA's Press, Radio, and Research Divisions, this solution could not be achieved. Therefore, FCC proposed that it eliminate its Latin American Analysis Section and count on the Coordinator's Radio Analysis unit to thenceforward perform service functions in propaganda analysis.<sup>44</sup>

The Coordinator agreed to the steps suggested by Mr. Fly and undertook to supply those government agencies interested in inter-American affairs with regular daily and weekly propaganda analysis of materials concerning Latin America. Its Propaganda Analysis unit also agreed to answer queries involving analysis of propaganda concerned with the other American republics. It was impossible at the time to assign someone from the

Analysis Unit of CIAA to work with FCC, but it was felt that regular conferences, weekly or oftener, would care for all liaison needs.<sup>45</sup>

The powers of the Office of Censorship in connection with communications sent outside the boundaries of the United States and the activities of CIAA in communicating with the other American republics by press and radio meant that regular working relationships must be established with the Office of Censorship.

Occasional minor differences of opinion developed in the first year of the war as the censorship system was being developed. In the summer of 1942 the Coordinator brought to the attention of the Director of Censorship a memorandum concerning censorship of United States newspapers and periodicals mailed to Latin American countries;<sup>46</sup> he was concerned over the possibility that stories concerning such things as strikes and racial troubles would be suppressed because he felt that such suppression would give Axis propagandists in the other American republics further ammunition. Mr. Price agreed with the Coordinator that editorial criticism, statements that the war program was lagging, and impartial treatment of racial and religious difficulties should not be considered objectionable, and that normally wire service stories carried generally in domestic newspapers, whatever their nature, should not be exorcised from material sent to the other American republics. He noted that there might have been some inconsistencies in censorship practice, but that the situation was improving as the censorship examiners became more experienced, and he also observed that control of shortwave broadcasting was currently under consideration and that the Office would be brought into discussions on the matter.

In November 1942, the two agencies were working on an agreement in regard to relationships;<sup>47</sup> its completion was delayed, however, until the spring of the following year. In April, following an agreement as to respective responsibilities between the Office of Censorship and the Office of War Information, a generally similar understanding was worked out between the Office of Censorship and the Coordinator's Office. This agreement pointed out that the two agencies were charged by the President with certain related responsibilities: that of the Office of the Coor-

<sup>44</sup> Percy L. Douglas to James L. Fly, September 17, 1943. A propaganda analysis bulletin was issued regularly in subsequent years by CIAA.

<sup>45</sup> Byron Price to Nelson A. Rockefeller, August 28, 1942.

<sup>47</sup> Francis A. Jamieson to Francis Alstock, November 28, 1942.

<sup>44</sup> James L. Fly to Nelson A. Rockefeller.

dinator of Inter-American Affairs was "to disseminate and publish information in Latin America about the nation's war effort and related subjects," while the Office of Censorship was "to keep out of enemy hands information about the war effort which could be used to damage the United States."<sup>48</sup> Much information would have to cross the borders of the United States in connection with the Coordinator's program, and in connection with this program, it was conceivable that "many items of information might be considered either as information which should be disseminated and published for its positive value in the war effort, or held to be dangerous information which should be suppressed." This allowed for possible conflict of interpretation which could nullify the effectiveness of one or the other of the two agencies in executing the President's orders. The purpose of the agreement was to establish a practicable working arrangement which would prevent such conflicts of interpretation.

The agreement provided that:

. . . to ensure maximum freedom of action, it is agreed that censorship of material for international dissemination will be accomplished through a system of close collaboration, rather than by arbitrary independent action, although final responsibility in any irreconcilable difference must rest with the Office of Censorship.

The latter agency agreed to put the weight of its appraisal of the content of material transmitted by the Coordinator on "tangible security considerations as distinct from intangible psychological or policy considerations;" CIAA in turn was to be considered a competent authority on foreign news and broadcast policy when military and naval security values were not involved. In regard to the timing of international news transmissions, the Office of Censorship was to approve the passage two or three hours in advance of official speeches and news releases intended for controlled distribution in Latin America, provided CIAA adopted adequate security measures both to and within the country in which controlled circulation was to take place. Arrangements worked out between the two agencies on short-wave radio censoring were not included in this agreement for reasons of flexibility; in addition

<sup>48</sup> "Agreement between the Office of the Coordinator of Inter-American Affairs and the Office of Censorship concerning Matters in which the Two Agencies Have Related Responsibilities," April 2, 1943. A draft of an agreement dated November 25, 1942, and differing from the one eventually signed in only one short phrase, is in agency files.

the agreement did not cover motion picture censorship.<sup>49</sup>

Somewhat later in the year it was discovered that there was a gap in arrangements in regard to the censoring of transcription programs. At first transcriptions consisted exclusively of programs previously shortwaved, which were in that process passed upon by the shortwave censor. Later the Office began production of a considerable bulk of shows for transcription only, which were passed by a customs inspector but which were apparently not censored. The failure to censor these items was discovered in September and presumably some arrangement was made whereby transcription programs could be checked before dispatch to the other American republics.<sup>50</sup>

Cooperation of CIAA in regard to broad policies of censorship was furthered by membership on a Censorship Policy Board, established in 1940 when the Office of Censorship was created.<sup>51</sup>

A part of the powers and responsibilities of the Coordinator of Information were assigned to the Office of War Information when the latter was created in 1942, as noted above. The remaining functions of Colonel Donovan's office were transferred to a new agency called the Office of Strategic Services; this organization was created under the powers of the President as Commander-in-Chief of the armed forces, as had been the case with COI.<sup>52</sup> The functions of this agency were directed toward collecting and analyzing such strategic information as might be required by the Joint Chiefs of Staff for military operations and planning and conducting special operations not assigned to other government agencies. CIAA was to have no real question over jurisdiction with OSS in view of the President's decision on a number of occasions that OSS would not operate in the other American republics.<sup>53</sup> The two agencies exchanged information through the usual liaison channels. On one occasion the Coordinator raised with the Bureau of the Budget

<sup>49</sup> (Francis A. Jamieson to N. R. Howard, April 2, 1943). It is planned to cover this in a later agreement, but no formal document on the matter has been found.

<sup>50</sup> Guy C. Hickok to Russell Pierce, September 11, 1943. He noted that 536 uncensored programs had been shipped during the year, each one to twenty-one destinations.

<sup>51</sup> According to an official of the Office of Censorship, this operating board had "no authority really, but is very useful, because questions are coming up every day and we use these people individually or in groups as liaison" (*Hearings, H.R., 1944, Pt. 1, p. 78*).

<sup>52</sup> Military order of June 13, 1942.

<sup>53</sup> As noted in a letter of Nelson A. Rockefeller to Harold D. Smith, October 15, 1943.

the question as to what function the Latin American Division of OSS was performing and as to whether, if it were research, there was not considerable duplication with the work which the Office was doing in that area.<sup>54</sup> He noted that at the time of preparation of the CIAA budget for the current year, it had been suggested by the Bureau of the Budget that additional positions be set up with the idea of absorbing the OSS

Research Bureau as soon as the hearings were over. No action had been taken on the matter, however, so the Coordinator brought it up again in connection with certain requests of OSS for materials dealing with propaganda analysis. No further action seems to have been taken in regard to absorption by CIAA of the Latin American Division of OSS, however, for the latter continued in full operation until the end of the war.

<sup>54</sup> Nelson A. Rockefeller to Harold D. Smith, October 15, 1943.

## RELATIONS WITH BEW, FEA, AND OTHER AGENCIES

As has been pointed out in other chapters, the Office was greatly concerned with economic matters in the Hemisphere. The memorandum which had brought about its creation had emphasized economic needs and the records of the first year indicate that a large share of the attention of its leaders were concerned with these problems. In this first year activities lay largely in the United States, however, and the Office was regularly in contact with such agencies as the Export-Import Bank, the Department of Treasury, and War Production Board in regard to such matters as priorities, loans, and similar matters, without going into operations abroad.

On July 30, 1941, the same day that the Office of the Coordinator of Inter-American Affairs was established and was granted power to "inaugurate and recommend programs in the economic and commercial field,"<sup>1</sup> a step in the administrative development of the defense organization of the United States was taken which was to affect fundamentally the activities of the Office in the economic field and likewise to modify its organization. On this date President Roosevelt signed Executive Order 8839, establishing an Economic Defense Board for the "purpose of developing and coordinating policies, plans, and programs designed to protect and strengthen the international economic relations of the United States in the interests of national defense."<sup>2</sup>

Membership of the Board included the Secretaries of State, Treasury, War, Navy, Agriculture, and Commerce, and the Attorney General; its chairman was Vice President Henry Wallace, who had the power to appoint, with approval of the President, additional members to the body. During September and October certain additional

powers were granted the Board, and in December 1941, its name was changed to the "Board of Economic Warfare."<sup>3</sup> Meanwhile, conversations had been underway between officials of the Office of the Coordinator of Inter-American Affairs and representatives of Milo Perkins, Executive Director of the Board. On October 3 the Coordinator told a CIAA Executive Committee meeting that "in view of the recent reorganization within the Government the work of the agency was to be reoriented to gear into the activities of the Economic Defense Board and also the Office of the Coordinator of Information." The Coordinator told the same group on October 9 that the Office had been assigned the function of "gathering and correlating of economic information concerning the Hemisphere," and that specific problems would be allocated to departments interested. A short time later the same group heard that the agency was to supply information on current developments pertaining to the hemisphere to the Economic Defense Board, and that also it was to submit hemisphere economic problems for discussion.<sup>4</sup> By November 21, 1941, Mr. Rockefeller could report to the Executive Committee that:

... confidentially, we are just completing and waiting the President's approval on a merger with the Economic Defense Board. Mr. Perkins has agreed to turn over the responsibility of carrying out all executive responsibility to our economic and financial division which will be subject to their direction. Our unit will take over the regional direction of the American Hemisphere with Carl Spaeth in charge, directly responsible to Colonel Lord. Economic and Financial Division will have operating responsibility of deciding what countries need what materials. (In this connection, the field units will be of vital importance.)<sup>5</sup>

<sup>1</sup> Milo Perkins was appointed Executive Director of the organization under the Board's authority on August 22, 1941. Executive Orders 8900, 8926, and 8942 granted additional powers, while Order 8982 changed the name of the body. Still further authority was to be assigned to BEW by Order 9128 of April 13, 1942.

<sup>2</sup> CIAA Executive Committee Meeting minutes, October 23, 1941.

<sup>3</sup> *Ibid.*, November 21, 1941.

<sup>1</sup> Executive Order 8840, July 30, 1941.

<sup>2</sup> See Board of Economic Warfare, *Preliminary Statement of General Objectives and Operating Organization*, May 15, 1942, Washington, D. C., for data on the establishment of this agency.



By November 24, as the Coordinator noted in a letter to the Executive Director of the Economic Defense Board, the President had granted approval of the arrangements which they had worked out for closer collaboration of their respective offices.<sup>6</sup>

On November 22, 1941, announcement was made by Vice President Wallace that Nelson A. Rockefeller had been appointed a member of the Economic Defense Board, also that the Commercial and Financial Division of the Coordinator's Office, working under the supervision of Milo Perkins, Executive Director of EDB, would undertake the study, formulation, and execution of such plans and programs of the Board which affected Latin America as fell within the scope of the latter's powers.<sup>7</sup> The executive personnel of the Economic Defense Board engaged in Western Hemisphere matters, pursuant to this arrangement, was to be merged with the personnel of the Commercial and Financial Division of the Coordinator's Office and the two would become an American Hemisphere Division on a par with three other divisions — Far Eastern, British Empire, and European and African — which acted for the rest of the world. The American Hemisphere Division was to continue to serve CIAA in matters that were not under Economic Defense Board jurisdiction.

Officials of the Office were very hopeful that the new arrangement would add greatly to the activities of the agency. One official, speaking informally some two weeks after the arrangement, noted that the appointment of the Coordinator to the EDB would open the way for increasing the amount of supplies to the other American republics in order to save them from economic distress, and that the new responsibility would eventually add at least 200 persons to the staff. He also was of the opinion that the new arrangement would make an essential change in the status of the agency; where hitherto its function had been largely to gather information and to stimulate other agencies of the government to satisfy needs, it now would change this coordinating function over into operations and would actually take part in doing those things which formerly it

<sup>6</sup> Nelson A. Rockefeller to Milo Perkins, November 24, 1941. Mr. Rockefeller characterized this as "the most encouraging thing that has happened since I came to Washington a year and a half ago. Somehow it seems to me that it is symbolic in a small way of the fact that a democracy can function effectively in time of crisis."

<sup>7</sup> Press Release of Vice President, November 22, 1941, Carl B. Spaeth, Assistant Coordinator of Inter-American Affairs, was appointed head of the American Hemisphere Division.

only had recommended to others.<sup>8</sup> A working arrangement with the Bureau of Foreign and Domestic Commerce for the supplying of basic information was also carried toward completion.

Under the new arrangement the American Hemisphere Division of the Economic Defense Board, made up of the former Commercial and Financial Division of CIAA supplemented by personnel from several sections of EDB, would be concerned with hemisphere activities connected with finance, lend-lease, transportation, communication, trade and allocations, development, and postwar planning.<sup>9</sup> In connection with one phase, economic research, a single comprehensive unit for the servicing of all operational units of the new Office was to be formed. The working out of the organization was developed during the winter months of 1941-42. Operations were to be handled by four major subdivisions: the Commercial and Financial Division, the Trade and Allocations Division, the Intelligence and Information Division, and the Economic Warfare Analysis Division. The Office of the Coordinator of Inter-American Affairs was to have the definite function of supplying the American Hemisphere Division with information from the field; among other agencies also drawn upon were the Department of State, the Department of Commerce, and the Tariff Commission. Certain officers of CIAA served in both their own organization and the American Hemisphere Division, and apparently CIAA was to have representatives with both the Clearance and Licensing Divisions of the Export Control Section of the Board of Economic Warfare.<sup>10</sup>

Even while the two agencies went ahead with plans for a cooperative organization, hints began to appear that there were obstacles in the way of developing a workable unit.<sup>11</sup> Minutes of a meeting of the American Hemisphere Division Policy Committee on March 5, 1942, mention that procedural problems which had been causing difficulties in the past were to be analyzed and recommendations made for their solution.

<sup>8</sup> Interview with John C. McClintock, December 3, 1941, recorded by W. O. Inglis.

<sup>9</sup> Memorandum from Carl B. Spaeth to staff, November 25, 1941. In an Executive Committee meeting of November 21, 1941, mention was made that Victor Borella (later an Assistant Coordinator and a personnel specialist) would be down soon to select new men.

<sup>10</sup> Francis T. Cole to Dr. Homer Davis, January 29, 1942.

<sup>11</sup> In hearings before Congress in June 1942 Mr. Rockefeller testified that the plans had operated very successfully for some months but eventually it was decided to reorganize and the BEW was changed from a geographical basis to a functional basis (*Hearings, H.R., 1943, Pt. 1, page 567*).

A short time later the minutes of the same body noted that a report covering the functions, objectives, and organization of the American Hemisphere Office had been submitted to Vice President Wallace and Executive Director Milo Perkins, together with a request for a comprehensive consideration of all of the problems presented. This report held that the job to be done was so important that even though "at present it produces no immediate results because of lack of cooperation" the work should be carried through. A hint of basic disagreement is also indicated in an exchange of correspondence between counsels of the two agencies, in which there was evident a question as to whether the division of responsibility should be on a functional or on an organizational basis.<sup>12</sup> An opinion on the legal effect of the merger by the General Counsel of the Office, turned over to the Coordinator in February, also shows that Mr. Rockefeller was beginning to think again in terms of separate operation:

My analysis of the merger between our Commercial and Financial Division and the BEW's American Hemisphere Division is that it constituted in essence a pooling of personnel, but that it did not involve any transfer of powers or responsibilities. In other words, the BEW still has the same powers and responsibilities as it had before and so does the Coordinator's Office.

I further do not understand that the merger involved any understanding or commitment by either party that it would entrust to the merged unit the carrying out of all of its responsibilities within the area of Hemisphere economic operations. In other words, I do not know of anything which indicates that the BEW could not create separate divisions with authority to operate in the Hemisphere, and similarly I know of nothing to indicate that the Coordinator's Office cannot do the same. In fact, I can recall from the start indications that the BEW contemplated creating such separate divisions and it is my understanding that it has done so in the case of such people as Mr. Rosenthal and Mr. Wertheim.

Accordingly, it would appear to me perfectly simple that you can within the Coordinator's Office create such units outside of the Economic Warfare unit as you may see fit and employ such personnel as you may see fit within the limits of the budget to carry out such of your powers and responsibilities as you do not wish to entrust to the Economic Warfare unit.

I think the situation is different with regard to any proposal to extract personnel from the merged unit. This, it would seem to me, could be done only by agreement of both parties.<sup>13</sup>

<sup>12</sup> J. E. Lockwood to Monroe Oppenheimer, December 30, 1941; Oppenheimer to Lockwood, January 3, 1942; Lockwood to Oppenheimer, January 14, 1942. In an interview of December 10, 1945, Mr. Lockwood stated that the fundamental obstacle to success of the merger was the difficulty of working out agreement between the functional method of operation as represented in BEW and the regional arrangement as represented in CIAA.

<sup>13</sup> John E. Lockwood to Nelson A. Rockefeller, February 9, 1942.

By the end of March it was clear that the plan for pooled operations would not work and on that date Mr. Spaeth, Director of the American Hemisphere Office, announced that he intended to resign both from BEW and CIAA.<sup>14</sup> On the following day Mr. Rockefeller announced to his own staff that:

... the joint operation inaugurated between this Office and Board of Economic Warfare in November is to be terminated; this has not worked with entire satisfaction to either office since the time of the men involved is not sufficient for them to devote their full time to the program of both offices and since certain differences in emphasis have involved difficulties for the men in knowing whether they should emphasize economic warfare or the overall Hemisphere program.

He also stated that the Coordinator of Inter-American Affairs would "resume independently with clarified responsibility its coordination in all fields, including the economic."<sup>15</sup>

In the next few weeks liquidation of the joint operational setup was worked out between officials of the two agencies, the method adopted including a transfer of personnel from the Office of the Coordinator to the Board of Economic Warfare, together with a fund to cover salaries of persons so transferred to the end of the fiscal year. The relationship between the two agencies for the future was likewise clarified at this time. A letter was drafted to the Director of the Bureau of the Budget by Mr. Rockefeller in which he informed Mr. Smith that the two agencies had jointly agreed that their activities in the economic field should be clearly segregated, and made an official proposal for the transfer of personnel from the payroll of the Office of the Coordinator of Inter-American Affairs to that of the Board of Economic Warfare. He likewise proposed that special project funds connected with the expenses of technical agricultural and mineral experts now working in the other products and materials be transferred to the Board of Economic Warfare.<sup>16</sup>

The Coordinator on April 30 sent a letter to Mr. Perkins which indicated that the position of the two agencies was to be "clarified by eliminating the element of dual responsibility" under which operations had been carried out; he also emphasized that there would continue to be the fullest cooperation between the two in all matters in order to avoid duplication of work

<sup>14</sup> March 31, 1942. Mr. Spaeth subsequently became U. S. delegate on the Committee for Political Defense of the Hemisphere, and still later joined the Department of State.

<sup>15</sup> CIAA Executive Committee meeting minutes, April 1, 1942.

<sup>16</sup> A draft of this letter, dated March 30, 1942, is in agency files.

and, by use of each other's facilities, to maintain smaller and more efficient staffs. Collaboration was to involve exchange of reports on activities, joint representation on committees dealing with Western Hemisphere problems, and other cooperation where necessary.<sup>17</sup>

Official transfer of personnel from the Office of the Coordinator of Inter-American Affairs to the Board of Economic Warfare, together with a sum of \$31,000 to cover their salaries to June 30, 1942, was finally carried out.<sup>18</sup> Actual transfer was delayed until May 14, 1942;<sup>19</sup> some 75 persons in Washington were affected by the order as well as 19 technicians in the field. The relationship of the two agencies was likewise fixed. They agreed to collaborate fully on matters of mutual interest in order to avoid at all times duplication and overlapping, with this collaboration carried out by appointment of liaison officers at various operating levels; exchange of reports on activities and information of common interest; and by representation of CIAA on those BEW committees which dealt with problems affecting the Western Hemisphere.<sup>20</sup> Certain developmental projects and activities of the Office also were to be handled in the future by the Board, under interpretation by the Bureau of the Budget of the Executive Order which delegated to the latter responsibility for the conduct of developmental activities abroad including the sending of technical missions for the purpose of stimulating the provision and acquisition of needed materials.<sup>21</sup>

In June, members of CIAA and BEW held discussions on possible cooperative effort in regard to reference information, particularly in providing basic studies of individual Latin American countries, production of a weekly summary of intelligence information, and a digest of newspaper clippings regularly received by the Coordinator from Latin America. After studying the matter, the officials of CIAA decided against such cooperation for the following reasons:

(1) A daily bulletin of the Office covering Latin American and United States press digests and Axis radio tactics was already being given to the Board of Economic Warfare and

<sup>17</sup> Nelson A. Rockefeller to Milo Perkins, April 30, 1942. Drafts of this letter were in agency files although neither the original nor a copy of it was found.

<sup>18</sup> *Ibid.*

<sup>19</sup> Milo Perkins to Nelson A. Rockefeller, June 10, 1942.

<sup>20</sup> Rockefeller to Perkins, April 30, 1942. On May 18 the Coordinator wrote again to Mr. Perkins naming the various individuals who were to serve as liaison officers.

<sup>21</sup> Harold D. Smith to Nelson A. Rockefeller, April 28, 1941.

the Office in turn received from them their Summary of Censorship and Foreign Periodic Intelligence.

(2) Political information received from the Department of State ought not to be made available to anyone outside the Office.

(3) The Board of Economic Warfare plan for country studies was based on outlines in which the Office had had no part in preparation and which it considered inadequate.

(4) Collaboration in issuing a weekly letter under a joint masthead could only lead to disagreement as to content and conflict as to responsibility.<sup>22</sup>

That relationships still were not completely settled is also indicated by a memorandum of July 21, 1942,<sup>23</sup> in which it was stated that the Bureau of the Budget was not satisfied that there was a clear line of demarcation between the jurisdiction of the Board of Economic Warfare and the Office in the commercial and financial area. While the Bureau of the Budget held that the only functions remaining for the Coordinator in this field were of a liaison character following the absorption of the American Hemisphere Office into BEW, CIAA felt that it still had certain responsibilities in the commercial and financial area. It was proposed at this time that the matter be taken up with Mr. Perkins, so that certain items could be established as within the jurisdiction of the Coordinator's Office. These functions included the idea of promotion of those activities connected with economic welfare in the other American republics which did not have as a principal objective either the exportation of goods from the United States or the importation of materials needed for the prosecution of the war, and also projects and programs involving the improvement of financial relations between and among the American republics.

In the summer of 1942 the Coordinator became seriously concerned with the food supply problem in the other American republics and presented a report on the matter to the Board of Economic Warfare. The Board at a meeting on June 25, 1942, adopted a resolution agreeing that the CIAA should establish field parties in such countries as might be mutually agreed upon by the Government of the United States and the local governments concerned for the purpose of gathering information and organizing production and distribution of food supplies in cooperation with the local authorities. At the same time a commit-

<sup>22</sup> Kelso Peck to Joseph Rovensky, June 25, 1942.

<sup>23</sup> Kelso Peck to Nelson A. Rockefeller. The writer noted that on occasions CIAA had started a project and then in its early stages had entered into discussions with BEW, whereupon the latter had assumed the initiative. The result had been that the Office had been forced into "isolating and insulating" itself against encroachment.

tee, under the direction of Mr. Rockefeller, was established in Washington, made up of representatives of the Department of State, Department of Agriculture, Department of Commerce, and BEW, which was to review and integrate the food supply program of CIAA in the other American republics.

Further discussions were held between CIAA and BEW in the latter part of 1942 to clarify respective responsibilities in regard to food production. One official of BEW in these discussions indicated that he understood that the Coordinator was responsible for the production of foodstuffs in various countries to be consumed locally, while the Board's function was to procure the production of foodstuffs for stock piling to be used for export.<sup>24</sup> The Office, however, held that this was not true; it was already engaged in the production of foodstuffs for export in Central America for the use of the Army, and maintained that it was generally understood that CIAA was to stimulate the production of additional foodstuffs for export in other parts of the Caribbean area.<sup>25</sup> The Board of Economic Warfare apparently accepted at this time the interpretation that the Office was to handle food production and offered to give aid of various kinds in the effort if it were needed.

In the spring of the following year further conferences were held between representatives of the two agencies in regard to the program for food production in the other American republics. At first, plans were made to exchange letters of agreement on the matter and in March the two agencies tried to reach such an agreement. Letters were submitted by the Board of Economic Warfare to the Coordinator but these did not prove to be satisfactory since Mr. Rockefeller understood that he had an agreement with Mr. Perkins to produce food in certain areas under programs already started.<sup>26</sup> The Office then submitted a proposed agreement which described the functions to be performed by the Office of the Coordinator of Inter-American Affairs as follows:

I. *Procurement.* Purchase foodstuffs in the other American republics in accordance with agreements with the respective governments for export to the other American republics (not including the United States of America) for internal use, including use by the armed forces of the United States and those of our Latin American allies.

II. *Production.* Enter into and execute cooperative programs with the governments of the other American republics for the production of foodstuffs for consumption within the other American republics and for export to the other American republics (not including the United States of America) for internal use, including use by the armed forces of the United States and those of our Latin American allies.

Relationship between the Board of Economic Warfare and CIAA was also specified:

I. *Procurement.* The Board of Economic Warfare, in the purchase of foodstuffs in the other American republics in which the Coordinator is carrying on food procurement or food production programs, shall consult with the Coordinator's representatives —

- (a) on the question of the extent to which these procurement and development programs might unfavorably affect the local supply of foodstuffs in Latin American countries; and
- (b) with a view to avoiding interference with the work being done by the Coordinator.

II. *Production.*—Also, the Coordinator, whenever possible, shall make technical assistance available to the Board of Economic Warfare in connection with its activities described herein, and, whenever technical assistance from the Coordinator's staff is available, the Board of Economic Warfare shall avail itself of this assistance and shall feel free to request the Coordinator's staff to assist in expediting its programs. BEW will not, however, need to rely exclusively on such personnel in expediting its programs.

The field staffs of the Coordinator's Office are to be utilized in carrying out the food production programs required by BEW in those countries where the Coordinator's Office is engaged in food production programs. The BEW will organize its own production staff in the countries where the Coordinator's Office is not engaged in a food production program. The BEW is not required to rely exclusively on the Coordinator's personnel in expediting its programs.

This revision was not acceptable to BEW, and the heads of the two agencies had further discussions on April 7, finally agreeing that no letters of understanding would be sent but that the two agencies would work together in mutual confidence and with full exchange of information and consultation as the best means of accomplishing results in particular countries without concern over prerogatives.<sup>27</sup> In succeeding months occasional meetings were held between members of the respective staffs to discuss specific programs.<sup>28</sup>

The agency also entered into cooperative efforts with subsidiary corporations of BEW which were engaged in procurement activities in such areas as the Amazon Valley, where the Institute of Inter-American Affairs took over the task of supervising health and sanitation in connection

<sup>24</sup> J. D. LeCron to Arthur Paul, November 24, 1942.

<sup>25</sup> John C. McClintock to Arthur Paul, December 31, 1942.

<sup>26</sup> Kelso Peck to Mr. Smart, April 8, 1943.

<sup>27</sup> Kelso Peck to Mr. Smart, April 8, 1943.

<sup>28</sup> Meetings, for example, were held June 1 and 2 to discuss problems of food production and food procurement in the Caribbean area.

with the Rubber Development Corporation's program for the procurement of wild rubber.<sup>29</sup>

In the year following the break with the Board of Economic Warfare, the Office tended to confine its effort in the economic warfare field (outside of the food production program) to coordinating and integrating its program with that of the Board and to making special studies and carrying out certain special projects.<sup>30</sup> The various training programs in aviation and in regard to trade scholarships, and contact with the Inter-American Development Commission were handled through this unit. Meanwhile the Board of Economic Warfare changed its status. Executive Order 9361 of July 15, 1943, established within the Office for Emergency Management an "Office of Economic Warfare," and transferred to it the functions, powers, and duties of BEW, itself terminated by the same order. In addition, the Office of Economic Warfare assumed the supervision of the United States Commercial Company, Rubber Development Corporation, Petroleum Reserves Corporation, and the Export-Import Bank of Washington. Slightly over two months later another change occurred with the creation of a "Foreign Economic Administration" to unify and consolidate all government activities relating to foreign economic affairs;<sup>31</sup> it absorbed the Office of Lend-Lease Administration, the Office of Foreign Relief and Rehabilitation Operations, the Office of Economic Warfare, and the foreign economic operations of the Office of Foreign Economic Coordination.<sup>32</sup>

By the spring of 1943, the Office was again interested in an attempt to establish an economic development program which would go beyond food production activities.<sup>33</sup> In August of 1943 the Coordinator met with Mr. Leo T. Crowley, Director of the then Office of Economic Warfare,

<sup>29</sup> A memorandum of May 5, 1943, written by William T. Thurman noted other proposals for cooperation between IIAA and BEW in health and sanitation programs in connection with the production of cinchona bark in Guatemala.

<sup>30</sup> *Hearings, H.R., 1943*, Pt. 1, p. 567. The Office maintained a Commercial and Financial Department, but since the facilities of the other agencies of the government were fully utilized in its work, the staff was small (*ibid.*, p. 592).

<sup>31</sup> Executive Order 9380, September 25, 1943.

<sup>32</sup> An article in the *New York Times*, November 11, 1943, stated that, "It appeared a few weeks ago that the economic functions of the Office were to be placed under the new Foreign Economic Administration . . . There was also reason to believe that the informal operations of the agency might be transferred to the Office of War Information," and that decision had finally been made against this due to the conclusive factor that President Roosevelt's concept of the implementation of the Good Neighbor Policy was on a geographic rather than on functional grounds.

<sup>33</sup> Discussion of the relations with the Department of State in working out of this new program will be found in the preceding chapter.

and worked out with him an agreement as to those areas in the field of inter-American economic development which logically might come within the purview of CIAA, with OEW not to enter into activities in these areas.<sup>34</sup>

The principal areas included at this time were six: (1) basic economic development covering health and sanitation and development of natural resources, with the exception of strategic and critical materials at the time being purchased under the direction of the Office of Economic Warfare; (2) transportation and communication by sea, air, land, and inland waterways; (3) industrial development in the fields of utilities, heavy industry, manufacturing, and processing and technical services; (4) development of inter-American trade and commerce in regard to banking facilities both private and governmental, insurance facilities, and negotiations in connection with defaulted debts; (5) private controls and rationing; (6) tourist travel.

Subsequent to the memorandum sent by the Coordinator to Mr. Crowley in August of 1943, questions of the responsibilities of CIAA and the principal agency for economic affairs (now the Foreign Economic Administration) were cleared verbally between the two men, but by the summer of 1944 it was decided that there was need for a written statement for the guidance not only of the two agencies concerned but also the Department of State. As a result, a "Definition of Responsibilities" between CIAA and FEA regarding economic development in the other American republics was put into writing.<sup>35</sup> The Budget Bureau was to work with the two agencies in coordinating their programs. In this agreement, the Coordinator's Office in carrying out activities already cleared in connection with its 1945 budget, was to work toward further economic development of the other American republics in connection with three primary objectives: (1) maintenance of economic stability under war conditions and during the transition period from

<sup>34</sup> Nelson A. Rockefeller to Leo T. Crowley, August 10, 1943. The Coordinator noted that naturally as in the past, the Office would look to the Department of State for the formulation of policy for the formation and execution of programs, and also that extensive use would be made of the Inter-American Development Commission in carrying out operations.

<sup>35</sup> Minutes of meeting of Joint Committee on Policy, July 20, 1944. While the matter had full discussion in this Committee, the role of the Department of State in the matter was kept on an informal basis. Apparently, discussions took place to cover various activities; a meeting on discussion of responsibilities of each agency in the transportation field indicated that there seemed to be no duplication or conflict between the two (J. L. Schley to Nelson A. Rockefeller, note on consultation with FEA on responsibility of each agency on transportation in Latin American countries, July 10, 1944).

war to peace; (2) development of the industrial and natural resources of the other American republics to accomplish such economic stabilization, at the same time making possible a higher standard of living, increased buying power and greater commercial interchange between the United States and the other American republics on a permanent basis; (3) improvement of transportation facilities and distribution mechanisms through provision of technical assistance.

Responsibilities of the Foreign Economic Administration in the field of economic development in the other American republics, which had also been clearly established in the budget for the fiscal year 1945, were said to be these:

- (1) Procurement of strategic and critical materials upon receipt of appropriate directives;
- (2) Continuance of export controls;
- (3) Claimant agency before WPB for import requirements of the other American republics;
- (4) Operations of the Export-Import Bank;
- (5) Extension of military lend-lease assistance.<sup>36</sup>

The line of demarcation in authority and responsibility of the two agencies was felt to be clear. The Office was to be responsible for cooperative programs to maintain economic stability in the other American republics in time of war and again during the transition period from war to peace; FEA's responsibility extended to the "procurement of strategic and critical materials for the war effort, the handling of export control mechanisms, military lend-lease, and government financial assistance through the Export-Import Bank."<sup>37</sup>

The definition of responsibilities as outlined above was communicated to the Bureau of the Budget on July 21, 1944, with an indication that the "draft" sent had been approved informally by the Department of State and that CIAA was anxious to get an official definition based on this memorandum as soon as possible.<sup>38</sup> The belief that the Department of State had approved the proposal was premature, however; while no formal statement on the matter was ever made, the hope that CIAA could enter into an extensive developmental program within the area established by the proposed plan outlined above, was never to be realized.

In addition to dealing with BEW and FEA in regard to developmental programs in the other American republics, it was also necessary for the

Coordinator to work out relationships for the agricultural part of this program with the Foreign Agricultural Relations Division of the Department of Agriculture. This branch of the Department of Agriculture was created for the purpose of collecting, analyzing, and disseminating information on foreign competition and demand for farm products and on agricultural policy. With the outbreak of the war, its facilities had been shifted particularly to war effort and developed a particular interest in food production in enemy and allied countries.

The position of the Office of Foreign Agricultural Relations was to be of particular significance to the Coordinator due to the fact that in the development of a food production program in the other American republics in 1942, the Department of State regularly turned to it for advice and interpretation in connection with this program. At the same time OFAR was itself interested in the development of the food production program, with resultant rivalry and some friction developing in connection with the food supply program of the Coordinator.

When the agency turned in the spring of 1942 to consideration of its planned large-scale health and sanitation program, it at once became evident that improvement of nutrition and food supply in the other American republics was likewise an essential. Members of the agency at first started discussions with the Department of Agriculture on initiation of programs in this field; they were familiar with the work of the Department in the use of experiment stations for the furtherance of long-term crop improvement. At this time, the agency apparently was inclined to believe that the Department of Agriculture was the appropriate agency to administer and execute such programs as might be determined upon for the nutrition and food supply programs in the other American republics, with the Coordinator of Inter-American Affairs providing the necessary funds, such personnel and such assistance in regard to planning and coordination of the program as might be necessary.<sup>39</sup>

The Coordinator, however, almost immediately changed his viewpoint and began to plan a program of his own in connection with food production and early in June supplied the Secretary of

<sup>36</sup> This viewpoint is embodied in a letter drafted April 29, 1942, to the Secretary of Agriculture, but apparently not sent. It should be noted that this period coincided with the curtailment of an economic program on the part of the Coordinator through transfer of personnel and funds to the Board of Economic Warfare.

<sup>37</sup> "Definition of Responsibilities," July 21, 1944.

<sup>38</sup> *Ibid.*

<sup>39</sup> John C. McClintock to Winthrop Southworth, July 21, 1944.

Agriculture with a statement on the Basic Economy program of the Office, including a proposal dealing with food supply production. The Secretary of Agriculture in reply called attention to the fact that his Department had under way a program for the establishment of agricultural experiment stations in several of the other American republics, in cooperation with their respective governments, with the primary purpose of developing the production of complementary and strategic crops. He intimated that the work carried out by the Coordinator should be closely integrated with the program of the Department of Agriculture, and under this understanding he endorsed the program as presented.<sup>40</sup> The Coordinator in reply to this letter noted that he was looking forward to the closest cooperation with the Department in working out the program for increased production and more effective distribution of food in the other republics, and that as agreed upon in the resolution just passed by the Board of Economic Warfare (on June 25), he was setting up a committee composed of representatives from the Department of State, Department of Agriculture, Department of Commerce, and the Board of Economic Warfare to govern the program.

By August, some friction between the two agencies had developed, as indicated by a report on food supply activities for the week ending August 15. In this it was noted that the Office had had "considerable difficulty with the Department of Agriculture as certain people in the Department are endeavoring to have us turn over our funds to them to operate the food supply program."<sup>41</sup> The representatives of CIAA had said flatly that they would not do this. It was felt, however, that there were prospects that a formula could be worked out which would protect the interests of the Office. That there was continued lack of full understanding between the two agencies in subsequent months is likewise shown by an inter-agency memorandum in February 1943 which, in discussing the appointment of a liaison officer with the Office of Foreign Agricultural Relations, called attention to the fact that there had been considerable misunderstanding between OFAR and CIAA on the food supply program.<sup>42</sup> At this time it was agreed that the Coordinator would make any request for information on agricultural

matters in writing and would hold the Department of Agriculture responsible for securing the information required, insofar as governmental sources were concerned.

The point of view of the Coordinator in regard to his responsibilities for food production in the other American republics was outlined in a letter to Under Secretary of State Sumner Welles on February 15, 1943. Mr. Rockefeller wrote in connection with a joint order issued 5 days earlier by the Department of Agriculture and the Board of Economic Warfare to clarify functions and responsibilities of those agencies in regard to public purchase of food and facilities necessary for the war effort and civilian economy.<sup>43</sup> The Coordinator pointed out that CIAA had entered into cooperative food production agreements with the governments of several of the other American republics and were negotiating more. Due to the activities of the other agencies, he thought it well to redefine policy in regard to food production in connection with his understanding as to his responsibilities. He stated that the Office would continue to execute such cooperative programs as it had already undertaken or might undertake upon request of governments of the other American republics for production of foodstuffs for consumption within these republics. The Office would also expect, in those countries where food production programs were under way or were to be instituted under cooperative agreements with the governments concerned, to execute, in concert with those other governments, any food production programs which might be required in line with purchase contracts entered into by the Commodity Credit Corporations or the Board of Economic Warfare. The Coordinator also felt that it was essential to review the effects of other agricultural production and purchase programs on the food supply position of the other American republics, since food supply for internal consumption might be seriously affected by production of strategic agricultural materials or unusual demands for military purposes.

In early May, the Department of Agriculture proposed to the Department of State that agricultural production activities in Latin America be consolidated under the direction of the Department of Agriculture, with both the food production activities of CIAA and the purchase programs of BEW specifically placed under its

<sup>40</sup> Claude R. Wickard to Nelson A. Rockefeller, received June 25, 1942.

<sup>41</sup> John C. McClintock to Nelson A. Rockefeller, August 13, 1942.

<sup>42</sup> John C. McClintock to James D. LeCron, February 17, 1943.

<sup>43</sup> Nelson A. Rockefeller to Sumner Welles, February 15, 1943.

supervision and direction.<sup>44</sup> The Director of the Basic Economy program of CIAA indicated that the Office had not yet been consulted by either the Department of State or the Department of Agriculture concerning the program, which he felt was "surprising" in view of the Coordinator's responsibility to the President and Congress for the execution of food production programs on a cooperative basis in certain of the other American republics. He also recalled the fact that the Department of State and the Department of Agriculture had agreed during the previous June, at the time the Board of Economic Warfare took formal action endorsing the responsibility of the Office in this area, that food production in the other American republics on a cooperative basis would be the responsibility of the Coordinator.<sup>45</sup> The Director felt that CIAA should defend its program since he did not believe that the Department of Agriculture had either the authority or the funds for the stimulation of food production on an emergency basis, although it was acknowledged that its experiment station program was of great value for long-range improvement of agriculture in the other American republics.

Subsequently a series of discussions was held with officials of the Department of Agriculture concerning the food production of the Coordinator in the other American republics. The Coordinator in a letter of June 16 raised two major objections to the proposal that the food production program be placed under the Department of Agriculture.<sup>46</sup> In the first place, the agreements for the establishment of agricultural experiment stations were not drafted to permit the expenditure of fairly large sums of money on an emergency program, and were of far more general character than the usual "Servicio" agreement which the Office executed in the local countries where its programs were undertaken. Since the Coordinator had responsibility to the President and Congress for the expenditure of funds granted to it, and as his objective was to obtain a significant increase of food production in a minimum period of time, it did not appear that the form of agreement designed originally to take care of the experiment stations

was readily applicable to the type of operation envisaged by him. The second objection which he raised was that in many cases the experiment stations were located in rather isolated sections of the other American republics and their directors would not be able to give efficient direction to the food production programs of the Office. The Coordinator suggested that the basic agreements be allowed to remain as they were, but that the respective governments be advised that the food production operations were to be considered as a part of the general program of the Department of Agriculture and the Coordinator, also that food programs be cleared in advance with OFAR and that they be sent to the Department of State with the written approval of that division. This arrangement would expedite the general clearance of programs and would afford the Department of Agriculture and CIAA the desired degree of coordination of activities and at the same time would leave both the experiment station program and the food production program relatively free to carry out their separate objectives.<sup>47</sup>

In reply to Mr. Rockefeller's letter, the Director of the Office of Foreign Agricultural Relations indicated that he agreed in principle with the suggested lines of cooperation outlined. He felt, however, that certain comments were necessary. In the first place, he believed there should be some definite linking of projects in the field, and that this coordination of activities should be included in working out the outlines of individual country projects.<sup>48</sup> He also liked the idea that the food programs of the Coordinator be cleared in advance with the Department of Agriculture and that they be sent to the Department of State with its written approval; this, he noted as a "most desirable change from past procedure since it avoids the appearance at any rate of our being in the position of obstructing the clearance of your programs through the Department of State." He insisted, however, that something more was involved than merely "clearing" programs in advance with the Department of Agriculture, and that instead these programs should be developed in cooperation between the two offices with the final written project emerging as an agreed-upon plan. He also approved the Coordinator's suggestion that the two offices work together to eliminate duplication in regard to

<sup>44</sup> Noted in a letter of John C. McClintock to Nelson A. Rockefeller, May 18, 1943.

<sup>45</sup> *Ibid.*

<sup>46</sup> Nelson A. Rockefeller to Leslie A. Wheeler, June 16, 1943. He noted that as the war ended, the program would be withdrawn in an orderly manner, leaving the Department of Agriculture as the only permanent United States agency concerned with agricultural development.

<sup>47</sup> *Ibid.*

<sup>48</sup> Leslie A. Wheeler to Nelson A. Rockefeller, July 1, 1943.



personnel assignments and that the Department of Agriculture would be glad both to assist in the selection of personnel and to make loans of technicians abroad when this could be done.

The Coordinator accepted the idea of linking projects in the field and suggested that in the future when either the Department of Agriculture or the Office negotiated a cooperative agreement with a government of one of the other American republics in which one or the other of the two agencies was already carrying out a cooperative program under a previously executed agreement, the field party chief responsible for the execution of that program should be consulted fully and should participate in negotiations with the host government.<sup>49</sup> He also suggested that representatives of the two agencies in the field work out joint recommendations as to program and terms of agreement signed by each, with final approval, of course, remaining in Washington between the Office and the Department of Agriculture. He likewise believed that further discussions of the programs of the agencies were in order, particularly in view of the work of still other United States agencies in regard to production of food for export.

In discussions which followed in July, the Department of Agriculture apparently won out in regard to gaining official authority for the direction of the food production program. In a letter of July 9 the Coordinator agreed to several points which would have centered control in OFAR:

1. That the Secretary of State officially designate the Office of Foreign Agricultural Relations as the responsible agency of the United States Government for the development and direction of objectives and plans in the field of foreign agricultural relations; within the framework of policies laid down by the Department of State this designation to be concurred in by the Director of the Office of War Mobilization.

2. That the Office of Foreign Agricultural Relations, in implementing such policies, make use of the authority, facilities, and responsibility of the appropriate agencies capable of carrying out action programs in cooperation with the other American republics. These agencies are the several bureaus of the Department of Agriculture, the Commodity Credit Corporation, and, insofar as emergency food production is concerned, the Office of the Coordinator of Inter-American Affairs;

3. That a committee be established under the chairmanship of the Director of the Office of Foreign Agricultural Relations for the purpose of coordinating and integrating all activities in the field; such committee to consist, in addition to the Chairman, of representatives of the Department of State, the Office of the Coordinator of Inter-American Affairs, and the Office of Economic Warfare;

<sup>49</sup> Nelson A. Rockefeller to L. A. Wheeler, July 9, 1943.

4. That negotiations in the other American republics with the respective ministries of agriculture be carried on through the United States diplomatic missions in the name of the Office of Foreign Agricultural Relations which would, in turn, give representation to the participating agencies on the committee referred to in paragraph three.<sup>50</sup>

This surrender of additional control over the food production program in the other American republics resulted in sharp dissatisfaction in the Food Supply Division of CIAA. The Director, Mr. James D. LeCron, resigned within a few days, stating that he felt that responsibility for food production in the other American republics had been assigned to the Coordinator instead of to the Department of Agriculture and that it should not have been shifted without Congressional approval or Executive Order; also that he felt that he did not care to work under the "further handicaps and still more divided authority" which the new arrangement would necessitate.<sup>51</sup> The plan for the complete control of the program by the Office of Foreign Agricultural Relations, however, was not put into effect.<sup>52</sup> By September 1943, in meetings of representatives of the Coordinator, the Department of Agriculture, and the State Department, lines of discussion make it clear that both the Food Supply Division and OFAR were carrying out independently programs in the field, for it was noted that all parties were agreed upon the importance of correlation of these programs. Arrangements were made that coordination should be worked out on the basis suggested by the Coordinator early in July. It was also agreed that whenever possible, a general project for broad agricultural improvement in one of the other American republics would be drafted with sub-projects under this being assigned to the two separate agencies after careful appraisal of their respective responsibilities and the training and capabilities of their staffs. In general, long-range programs would be assigned to the Office of Foreign Agricultural Relations, while short-term projects would go to the Coordinator.<sup>53</sup> A suggestion was made by a representative of OFAR that a sort of hybrid office be set up in the Department of Agriculture with a high-ranking member of CIAA and an equally capable representative from OFAR "sitting in the same room

<sup>50</sup> Nelson A. Rockefeller to Claude R. Wickard, July 9, 1943.

<sup>51</sup> James D. LeCron to Nelson A. Rockefeller, September 2, 1943. His bitter criticism of the Department of State has been noted elsewhere.

<sup>52</sup> Reversal of opinion on the matter was apparently arrived at in meetings shortly afterward between CIAA and the Department of State.

<sup>53</sup> Memorandum on conferences with the OFAR by Floyd E. Dominy, September 29, 1943.

eyeing each other across the desk." Representatives of the Coordinator's Office, however, felt that such an arrangement would not be feasible and practical because that would mean that to all intents and purposes this joint office would become the administrative agent for both programs, and they doubted the propriety of delegating sufficient authority for it to function in this way. They felt that full understanding could be maintained by appointment of liaison officers, and by submitting copies of the various field reports and projects to both agencies. Ten days later, it was agreed between the two agencies that line projects would be submitted from the field bearing the approval of both agencies, with clearance to be obtained in Washington through the Office of Foreign Agricultural relations, the Food Supply Division of the Office of the Coordinator of Inter-American Affairs and the State Department.<sup>54</sup>

The question of authority of OFAR over the food supply programs of the Coordinator came up at least once again, in February 1944. At this time, in connection with proposed extensions of the various food supply agreements, Dr. Ross stated that he had been directed by the Department of State to review each of the Food Supply projects with a view to termination as soon as possible, and that he was momentarily expecting a written memorandum from Secretary Hull to this effect. The Food Supply Division on this occasion was willing to acknowledge that the general policy pertinent to food supply activities was the responsibility of the Department of State, also that it was granted that the Department of State looked to OFAR for technical guidance in determining policy on agricultural programs. However, the Food Supply Division felt that for the Office of Foreign Agricultural Relations to attempt to gain intimate knowledge on each detailed project operation, and to exercise administrative prerogatives was both unreasonable and unworkable. They felt that the only way to properly handle the food production program was for the Department of State to treat directly with responsible officials of the Food Supply Division of CIAA in arriving at final decisions involving policy, and that it was untenable longer to clear through a second operating agency whose officials had definitely set themselves up as the final administrative authority on Food Supply opera-

<sup>54</sup> Notes on conferences with OFAR by Floyd E. Dominy, October 2, 1943.

tions.<sup>55</sup> From information at hand it would seem that this viewpoint was put into effect during the remainder of the existence of the Office.<sup>56</sup>

Relationships of the Coordinator with the Department of Commerce were generally harmonious, each agency supplying the other with information regularly and with the Coordinator's Office housed in the Department of Commerce Building for a good part of its life. At one time negotiations were under way for an agreement between the two agencies in connection with a plan to service the American Hemisphere Division of BEW, just being formed by a merger of a part of CIAA with BEW. The Director of BEW requested CIAA to assemble and correlate all available information pertaining to Central and South America and the Department of Commerce offered to aid in this program through its Bureau of Foreign and Domestic Commerce.<sup>57</sup> In October 1941, further discussion was held between the Department of Commerce and CIAA, and plans were made for the assembling of trade and financial statistics of all kinds and for increasing the personnel of the Bureau of Foreign and Domestic Commerce at a cost of \$60,000.00.<sup>58</sup> The project was soon expanded for the Bureau to undertake on behalf of CIAA the analysis and interpretation of current economic developments.<sup>59</sup> Under this rather ambitious plan, the Bureau would carry out extensive research services in both the analytical and statistical fields.

On November 13, 1941, CIAA Policy Committee approved a project for compilation of basic statistics of the other American republics to be carried on under the auspices of the Bureau of Foreign and Domestic Commerce, and authorized the encumbrance of \$102,820.00 for the purpose. However, inasmuch as the plan for the merger of the Economic Section of CIAA with the Economic Defense Board was imminent at the moment, no further action was taken with

<sup>55</sup> Floyd E. Dominy to Nelson A. Rockefeller, February 10, 1944.

<sup>56</sup> Officials of the Food Supply Division have indicated that this has been the case; also a letter from Mr. Rockefeller as Assistant Secretary of State to General Dunham on February 3, 1945, indicated that cooperative programs to increase and improve food supply for local consumption were to be conducted through the Institute of Inter-American Affairs, while agricultural experimentation work was to be executed through agricultural experiment stations established by the Department of Agriculture.

<sup>57</sup> Discussion of the plan is noted in a letter of the Coordinator to Under Secretary of Commerce Wayne C. Taylor, October 16, 1941.

<sup>58</sup> Grosvenor M. Jones to Carl B. Spaeth, October 20, 1941.

<sup>59</sup> Grosvenor M. Jones to Carl B. Spaeth, October 25, 1941. Cost estimated was an additional \$70,000.

reference to this project.<sup>60</sup> Further arrangements for the carrying on of commercial research by the Department of Commerce for BEW were handled by the latter<sup>61</sup> rather than through CIAA, although arrangements made were in no way to preclude the Coordinator from calling upon the Bureau of Foreign and Domestic Commerce for assistance in projects or programs which were under his direct jurisdiction.<sup>62</sup> There is no evidence that any other formal arrangement was entered into with the Department of Commerce by the Coordinator in later years, except that described in connection with agency relationships with the Department of State. However, from time to time, members of the staff called upon the Bureau of Foreign and Domestic Commerce for information as needed.

In the early years of its existence, the Coordinator's Office also maintained contact with the Export-Import Bank and with the subsidiary corporations of the Reconstruction Finance Corporation, such as the Rubber Reserve Company, Defense Supplies Corporation, and the Commodity Credit Corporation; also because of its interest in securing priorities for Latin America it maintained liaison with the War Production Board. In connection with the program placed under the direction of the Inter-American Navigation Corporation, the agency worked with the Maritime Commission and the War Shipping Administration and eventually turned over to the latter agency, in an agreement which has been described elsewhere, all vessels of the Inter-American Navigation Corporation.

During the years of its existence, CIAA as an operating government agency had contacts of various kinds with many other government departments and agencies. These, however, were of routine character and need not be described in full. In many cases an agency was transferred funds to carry out some particular project, as in the case of a transfer of \$10,000 to the Public Roads Administration of the Federal Works Administration to cover a highway construction program in Ecuador in 1941.<sup>63</sup> In other cases, as with the General Accounting Office, statements were submitted to that agency in accordance

with normal government procedure. Informational documents from various sources came into the Office regularly from a number of agencies; one memorandum of December 1943, indicated that approximately 250 documents were received daily for use by the Office.<sup>64</sup> The great majority of documents received were from the Office of Censorship (giving excerpts from intercepted letters to and from Latin America), the Department of State, the Federal Bureau of Investigation, the Office of Naval Intelligence, and the Military Intelligence Division of the Army.

Since the Coordinator was operating in a foreign area which was of military significance, liaison was maintained with the Army and Navy through a special officer appointed in 1942 to maintain contact;<sup>65</sup> in October of 1943 it was noted that liaison arrangements with the armed forces were not entirely adequate at the higher policy levels, but that steps were being taken to improve this.<sup>66</sup> The Coordinator's Office was not to be concerned with specific intelligence service activities, for early in 1942, at the time formation of the Office of Strategic Services was being considered, he was instructed by the Department of State that the United States program of cooperation was not to be utilized in any way as a cloak for intelligence activities, and that if at any time a proposal was brought forward for using the personnel connected with CIAA in political, military, or naval intelligence activities, he should decline to entertain it.<sup>67</sup>

Some mention should be made of relationships between the agency and the Bureau of the Budget, although the latter is theoretically not an operating agency in the usual sense. The duties of this administrative branch of the government need not be described in detail; its responsibility is to examine the operations of all government departments and bureaus to see that each agency functions within its own field, to the end that there should be as little overlapping and duplication as possible, and its power to "correlate" the esti-

<sup>60</sup> Ben Margolin to Don Francisco, December 3, 1943.

<sup>65</sup> Memorandum P. L. Douglas to staff, August 14, 1942. Mr. William L. Clark was entrusted with this work for CIAA while an officer from the Military Intelligence Service and another from the Office of Naval Intelligence were assigned to work with him on a permanent liaison basis.

<sup>66</sup> Minutes of Information Department Executive Committee, August 7, 1943.

<sup>67</sup> Sumner Welles to Nelson A. Rockefeller, March 26, 1942. Strictly confidential. The Coordinator had just heard that the Office of the Coordinator of Information was to be changed to an "Office of Strategic Information" which would have charge of political and psychological warfare against the enemy (Nelson A. Rockefeller to Sumner Welles, March 26, 1942).

<sup>60</sup> Somewhat earlier Mr. Spaeth had recommended that CIAA maintain a strong economic research station regardless of negotiations with Commerce and that only limited support should be given in regard to analytical work (Spaeth to Rockefeller, November 3, 1941).

<sup>61</sup> "Board of Economic Warfare — Preliminary Statement of General Objectives and Operating Organization, May 15, 1942, pages 73-74."

<sup>62</sup> Wayne C. Taylor to Nelson A. Rockefeller, December 3, 1941.

<sup>63</sup> Nelson A. Rockefeller to J. M. Carmody, April 16, 1941.

mates of proposed expenditures of each agency before presentation to Congress involves not only fiscal responsibility but also power over organizational form and mode of operation.<sup>68</sup> Thus, technically, relationships with the Bureau of the Budget would be of a routine nature; however, the Bureau of the Budget possesses and exercises great power indirectly in determination of policy. For example, at the time the OWI was being formed, the Bureau of the Budget was a strong proponent of the idea that all war information functions of the United States Government, both in the domestic and foreign fields, should be concentrated in a single agency. If the Coordinator had not been able to secure a decision from the President for exception of the geographic area with which he was concerned, this would have meant almost certain liquidation of his office. Many instances could also be cited in which decisions of the Bureau of the Budget in regard to specific activities definitely affected their growth or curtailment. In the last months of the existence of the Office, when its liquidation was being planned, again the attitude of the Bureau of the Budget as to the form in which continuing functions should be transferred to the Department of State or elsewhere was of great significance in determining the way in which those functions would be carried out in the future.

The Coordinator was to turn to the Pan American Union and its related organizations on various occasions for the execution of projects in the fields of education, music, medicine, and public health and sanitation. In 1942 the Coordinator and the Department of State carried on correspondence in regard to relations between CIAA and the Pan American Union and other inter-American organizations. The Department of State particularly cautioned the Coordinator that in making funds available to the Pan American Union, this must be carried out in such a way that the entirely independent and central position of the latter must always be beyond question, because of the danger that the United States might be subject to the accusation that it was exercising a degree of influence out of keeping with the general principle of equality which prevails among the American republics.<sup>69</sup> Therefore, the State Department felt that no government agency should request important special favors or special

services for itself from the Pan American Union or other inter-American bodies in return for financial assistance, nor should it extend financial assistance in any form to these bodies that might enable it to exercise undue control over their activities, directly or indirectly, such as through the payment of salaries or expenses of responsible officials. Extension of financial assistance in the form of unencumbered grants or for the carrying out of worthwhile activities in keeping with the inter-American character of the bodies concerned was not precluded, however. The Coordinator in reply reviewed the various projects for which his Office had supplied funds to the Pan American Union and emphasized that the Pan American Union had never been anything but a free agent, nor had it been subjected to any coercion or influence, direct or indirect, by the Office. Funds made available by CIAA had been for purely non-political inter-American purposes, without any suspicion or motive of preferential treatment or favors for the United States or any individual member nation.<sup>70</sup>

The Office of the Coordinator was also to have certain contacts with the Committee for Political Defense set up by the Governing Board of the Pan American Union following the Rio Conference of 1942, and at one time close collaboration in one phase of activity was proposed.<sup>71</sup> In May 1942, a proposal was developed by the United States delegate to the Committee and the Department of State for use of CPD as a medium for analysis of totalitarian propaganda of all kinds, with a view to circulation of timely bulletins to the governments and press of the various American republics concerning the methods, content, and media of such totalitarian propaganda.<sup>72</sup> Collaboration in the plan on the part of the Coordinator was proposed by the Department of State, with the idea that the Propaganda Analysis Section of CIAA be utilized for much of the work of reviewing the material to be gathered and also in possibly supplying and training technical personnel for service with a proposed analysis unit to be set up in Montevideo, Uruguay, to work with the Committee for Political Defense.<sup>73</sup> The Office was also to assume part of the financial

<sup>68</sup> Nelson A. Rockefeller to Laurence Duggan, March 30, 1942.

<sup>71</sup> When the Committee was set up, the proposal was made that CIAA make funds available to the Committee (John C. Dreier to Wallace K. Harrison, February 16, 1942).

<sup>72</sup> Memorandum of Selden Chapin, May 27, 1942. The proposal was to be put into effect by a resolution of the CPD. Mr. Carl B. Spaeth, a former Assistant Coordinator of CIAA was United States representative on CPD.

<sup>73</sup> Carl B. Spaeth to Nelson A. Rockefeller, June 29, 1942.

<sup>69</sup> *CF. Fritz Morstein Marx, "The Bureau of the Budget: Its Evolution and Present Role," in American Political Science Review, vol. XXXIX, Nos. 4, 5.*

<sup>68</sup> Laurence Duggan to Nelson A. Rockefeller, March 30, 1942.

burden of the proposed program. A formal inquiry by Under Secretary Sumner Welles was made on July 9 as to the utility and value of the proposal for propaganda analysis, and whether it should be done by an inter-American organization as distinct from a national one, whether such publicity and counter-propaganda program as proposed would be useful, and to what extent the Coordinator would be willing to cooperate.<sup>74</sup>

The proposal was studied by the Coordinator and several meetings were held with Department of State officials.<sup>75</sup> On July 17, 1942, Mr. Rockefeller replied to Mr. Welles that CIAA was opposed to the plan under consideration. Reasons for opposition were presented at some length; they may be summarized as based essentially upon a belief that, while propaganda analysis and associated activities were of distinct importance in the informational picture and were being carried on by CIAA with that idea in view, activities of this nature on the part of the United States should be handled specifically on a national basis. The Coordinator pointed out that the CPD was an international organization and that at the time, a majority of the members did not belong to the United Nations and two of them had not even severed relations with the Axis. In this connection a number of situations might arise in which participation by the United States could be played up to the injury of the war effort. The agency also believed that the only way to deal successfully with Axis propaganda was to have a vigorous, positive information program rather than to attempt to give publicity to the propaganda activities of the totalitarian nations since the latter course frequently tended to spread the very propaganda which it was desired to combat.

While CIAA was considering and voicing its opposition to the proposal, the resolution on the matter had been passed by CPD in Montevideo. As a result, a conference was called by the State Department in order to work out contributions by the United States to the effort, and while opposed in principle, CIAA agreed to help, with the understanding, however, that CPD was to refrain from engaging in "spot" counter-propaganda work and that specimens of propaganda analysis sent it by the Office should be limited

to materials already analyzed.<sup>76</sup> At the same time the agency accepted the idea of sending at least one technician in propaganda analysis to aid CPD at least on an experimental basis. The materials desired were collected and sent to Montevideo on October 1, 1942, but no further action was taken in regard to supplying a staff expert.

In December the representative of the Coordinator in Buenos Aires discussed the proposal for development of a propaganda analysis unit under CPD with the United States delegate, Mr. Spaeth, and found that the more ambitious projects which were first proposed were no longer considered necessary.<sup>77</sup> CPD still desired to receive certain information from CIAA and some temporary aid by a trained man, which could be supplied from the CIAA Buenos Aires staff. Meanwhile, however, the Department of State again renewed the proposal for the establishment of a CPD propaganda analysis project, suggesting a seven-point program which would provide for release by the CPD of statements exposing Axis propaganda, and outlining the necessary procedures to carry out this program.<sup>78</sup> The Coordinator once again registered disapproval on the part of CIAA, basing his opposition on about the same factors as had been cited in his letter of July 17, 1942.<sup>79</sup> He did feel, however, that factual statements concerning Axis subversive, espionage, and sabotage activities, such as had been released from time to time by CPD, were extremely useful.

The attitude of the Coordinator's Office to the CPD propaganda analysis proposal during these negotiations may have been influenced by a memorandum giving the personal views of the United States delegate to the CPD, Mr. Spaeth, in regard to the Coordinator's information program in Latin America, in which he included several adverse statements. The reaction in the Office to this criticism was vigorous and was embodied in an emphatic letter from the Coordinator to Mr. Duggan on June 29, 1942,<sup>80</sup> and may have served to some extent to strengthen its opposition to collaboration with CPD on propaganda analysis.

<sup>74</sup> Memorandum of conference held August 27, 1942.

<sup>75</sup> Robert C. Welles to Francis Jamieson, December 3, 1942.

<sup>76</sup> Memorandum of Laurence Duggan, January 20, 1943.

<sup>77</sup> Nelson A. Rockefeller to Laurence Duggan, February 11, 1943.

<sup>78</sup> A letter of Laurence Duggan to Nelson A. Rockefeller, June 26, 1942, enclosing the memorandum by Carl Spaeth, June 19, 1942; letters of Francis A. Jamieson to Nelson A. Rockefeller, June 30, 1942; and Nelson A. Rockefeller to Laurence Duggan, June 29, 1942, refuted criticisms expressed.

<sup>74</sup> Sumner Welles to Nelson A. Rockefeller, July 9, 1942.

<sup>75</sup> Leonard W. Doob to Wallace K. Harrison, June 29, 1942.

## ADMINISTRATIVE METHODS AND TECHNIQUES (WASHINGTON)

The administrative functioning of a government agency can conveniently be described through consideration first of its policy-forming mechanisms, and second, of the methods by which these policies are then transmitted into action. The organizational growth of CIAA has been indicated in previous chapters, and to a certain extent this illustrates also the administrative flow of authority, but some further discussion of the manner in which activities were planned and carried out is of value.

Under the Executive Order which established the Office, the Coordinator was made responsible for all decisions. In his program he was, of course, governed by broad lines of national policy such as those set by decisions of the White House, of the Council of National Defense, and of certain other broad inter-departmental committees which were created to govern phases of the war program as it developed. Likewise, policy forming by the Coordinator was inevitably and continuously influenced by the constantly varying political pressures present in the Washington administration during the war years. On many occasions policy was directly affected by ideas coming from the White House, and on other occasions the interest of such powerful political figures as Secretary of State Cordell Hull, Under Secretary of State Sumner Welles, Vice President Wallace, Secretary of Commerce and Head of the Reconstruction Finance Corporation Jesse Jones, and Under Secretary of Commerce Wayne C. Taylor played their part in the initiation or development of parts of the CIAA program.<sup>1</sup>

Within the field of inter-American affairs, at the same time that the Office was first created, a

<sup>1</sup> As examples, the development of the wooden ship building program with Under Secretary of Commerce Taylor, the creation of the Inter-American Institute of Tropical Science with Vice President Wallace, and the emergency rehabilitation program with Under Secretary of State Welles.

committee was organized for the specific purpose of developing hemisphere policy; this was the Inter-Departmental Committee on Inter-American Affairs. It was continued in slightly different form in the Executive Order of July 30, 1941, which changed the name of the agency and broadened its powers, but it died almost immediately afterward. Theoretically a useful device for coordinating efforts in the field, at no time does it seem to have been of great significance in guiding CIAA policy.

At the start of operations the Coordinator created an "Advisory Committee on Policy" whose membership was made up of individuals representing various bodies in public opinion, such as the American Federation of Labor (AFL), the Congress of Industrial Organizations (CIO), and the Catholic Church, including also some persons selected by Mr. Rockefeller because of his personal associations with them.<sup>2</sup> Like the Inter-Departmental Committee just mentioned, the Advisory Committee proved to be less useful than was hoped, and actually it held few meetings and disappears from organizational charts of CIAA during 1941. Some members of the Committee, such as Mrs. Anna Rosenberg and Mr. Beardsley Ruml, however, continued to advise Mr. Rockefeller on many occasions.

Actual policy forming for CIAA was carried out through most of its history by a relatively small group of persons. In theory at least this group coincided with the membership of an "Executive Committee" created very shortly after the

<sup>2</sup> A chart of December 1941 shows the Advisory Committee on Policy as made up of William Benton, Will Clayton, Ralph Hetzel, Jr., Henry R. Luce, William F. Montavon, Anna Rosenberg, Beardsley Ruml, and Robert Watt. A member of the faculty of Howard University, Professor Rayford W. Logan, was added later on to advise on matters of interest to Negroes. Special advisory committees on a lower level were also appointed to advise in the cultural field.

Office started to operate.<sup>3</sup> While the composition of this group changed somewhat with the passing of time, to a surprising extent the policy leaders of CIAA remained within a group composed of comparatively few individuals; the Coordinator himself, Mr. Carl B. Spaeth, Wallace K. Harrison, Francis A. Jamieson, J. C. Rovensky, John E. Lockwood, John Dickey, and Enrique de Lozada, all on the payroll of the Office for relatively extensive periods of time, were important figures in regard to policy determination. Mrs. Anna Rosenberg and Mr. Beardsley Ruml, on the Advisory Committee mentioned but technically not members of the agency, took regular part in discussions during the earlier years and continued to advise on occasion as noted. Other men who became Assistant Coordinators, such as Major General George C. Dunham, Major General Julian Schley, John C. McClintock, Don Francisco, and Percy L. Douglas, were also concerned with policy, particularly in regard to carrying out operational programs. Some members of the group who advised the Coordinator on policy were also particularly useful in the liaison field because they possessed the confidence of powerful political figures outside the agency. Such was the case of Dr. Enrique de Lozada, who came to the agency from Williams College and had a specific post of "Consejero" or Adviser created for him, for he was personally acquainted with both Under Secretary of State Sumner Welles and Vice President Henry Wallace. He also was an authority on the Latin American point of view since he was of Bolivian nationality and had had wide experience and knew many persons in the other American republics. Mr. John Dickey had been in the State Department before joining CIAA and was reassigned to it (although he remained on the Coordinator's payroll for some years longer) when the Proclaimed List operation was transferred to that Department, and was able to express probable opinions of Secretary of State Hull in regard to policy, as well as being a man whose advice was respected in all fields.<sup>4</sup> Other individuals, such as Mr. Francis A. Jamieson, had contacts in the newspaper world, and Mr. Ruml and Mr. Rovensky were trained to advise in commercial and financial matters and had contact with a number of responsible persons in these areas.

<sup>3</sup> The first meeting of this Committee was held August 30, 1940, and its membership comprised most of the nine persons then making up the Coordinator's staff.

<sup>4</sup> Mr. Dickey has since been appointed President of Dartmouth College.

As first composed, the Executive Committee was concerned with major policy determination, but as the Office grew and more and more officials of the agency were included on the Executive Committee, some differentiation developed in practice as regards what might be called the "policy of operations," as compared with the determination of policy lines to be followed in guiding the agency within the sphere of Washington bureaucracy. In the latter case, Mr. Rockefeller was guided by a smaller group, with some individuals being more significant in certain lines than in others. In some cases determination of a policy had to be particularly made with regard to circumstances, conditions, and opinions in the United States; in others, its feasibility and desirability had to be determined from the Latin American point of view; and third, it was always necessary to determine the legality of a course of action.

The Executive Committee met almost daily for the first two years of the existence of the agency. In the summer of 1941 a title change made it a "Policy Committee," and this name was used until August 1942 when the Committee was officially abolished.<sup>5</sup> Official elimination of the Policy Committee did not actually end its operations, for staff leaders continued to meet regularly in what was usually called the "morning staff meeting."<sup>6</sup> With their time now free to discuss general problems of operation (specific projects were now considered by a Project Committee), the Assistant Coordinators and heads of departments and such other individuals as might be called in for specific reasons were able to discuss general problems of operation and policy in carrying out the program.

After the subsidiary corporations of CIAA were created, legally their policy in regard to programs would be determined by their respective boards of directors. These boards of directors, however, were specifically tied in with CIAA so that they operated under the policies of the Office; in any case, policy determination by the boards of directors would be largely concerned with the narrower field of consideration of corporation operations rather than with overall agency policies.<sup>7</sup>

The determination of policy was, to a certain

<sup>5</sup> For a time in the summer of 1941 it was called in minutes the "Policy Group and Department Heads."

<sup>6</sup> It met daily while the war emergencies were great, then three times a week, and finally, once a week only. No regular minutes were kept of these meetings.

<sup>7</sup> The directors of the corporations were largely drawn in earlier years from the membership of the Executive Committee and from among heads of departments.

extent, participated in by other agencies or at least affected by their point of view. This was, of course, particularly true in regard to Department of State; the order under which CIAA was set up instructed the Coordinator to formulate and execute his program "in cooperation with the State Department" and in the spring of 1942, as pointed out elsewhere, the State Department was given the final authority in regard to policy matters as well as the inauguration of individual projects in the program.<sup>8</sup> As a result, Mr. Rockefeller was in constant contact with Mr. Laurence Duggan, Special Advisor on Policy for CIAA in the Department of State, and whenever necessary, he met with Under Secretary Sumner Welles or even with Secretary of State Cordell Hull. Regular liaison was also maintained on lower levels through liaison officers, with joint committees formed in some cases to discuss policy and procedure in regard to certain operations of the agency. The Joint Committee on Cultural Relations, for example, had a continuous existence from the time it was set up by agreement between the two agencies in August 1941 until its final meeting on January 4, 1945. Throughout most of 1944 a "Joint Committee on Policy" held regular meetings for the discussion of matters other than those in the field of cultural relations and education, and in the information field committees likewise functioned on occasion. In addition to the State Department, decisions of the BEW on several occasions directly concerned Office policy, as, for example, when it delegated to the Coordinator the task of carrying out a program in the other American republics in regard to shipping, and when it assigned to him responsibility in regard to food production.<sup>9</sup> In a broad sense, it might also be held that policies of the agency were laid down in line with the ideas of other inter-departmental committees of which the Coordinator was a member.<sup>10</sup>

In regard to the formation of policy, the Coordinator had probably some advantage over old

<sup>8</sup> See Chapter 15 for a full discussion of relations with the Department of State.

<sup>9</sup> See Chapter 17 on relations with BEW. It must be remembered that these matters were brought up, however, as a result of policy previously worked out as desirable by the Coordinator and his policy associates.

<sup>10</sup> In March of 1942 the Coordinator was listed as a member of the following committees: Inter-American Development Commission; Board of Economic Warfare; Board of Censorship; War Information Committee; Inter-American Financial and Economic Advisory Committee; Inter-Departmental Committee for Political Warfare; Inter-Departmental Committee on Inter-American Affairs; Inter-American Shipping Commission; Inter-Departmental Committee on Hemisphere Communications; International Broadcasting Committee. The Office also had representation on many lesser committees.

line departments in regard to speed of operation and flexibility in meeting changing political situations, as he was not bound by precedent and practice built up over a long period of time. The personal position of Mr. Rockefeller and the fact that he chose most of the high officials of CIAA on a basis of previous personal relationship also probably acted to make possible rapid policy decisions. Nevertheless, in carrying out the operations of the agency after its program was well underway, leaders always had to combat the tendency of divisions to work independently of each other, a condition practically inevitable in any large organization operating along functional lines. Personal and divisional rivalries and friction likewise were occasionally evident, as, for example, between administrative units servicing operating groups and between operating divisions whose fields were somewhat competitive.<sup>11</sup>

At one time this more or less inevitable tendency for the several divisions of the agency to concentrate on their own activities without due regard to the program as a whole led to an attempt to integrate the program through the creation of certain directive committees. In a memorandum of April 16, 1942, which noted that the "need for special emphasis on programs rather than on their individual operation had become increasingly apparent" and that "artificial barriers which now tend to segregate the operations of Divisions must be broken down so that each activity is properly related to every other activity of the Office," Mr. Rockefeller announced the appointment of five new committees. Three of these were to investigate problems in specific areas: economic, propaganda, and basic economy; the Policy Committee was still to maintain general oversight of projects and planning. A Directive Council and an Administration Committee were also created. No specific discussion need be made of the area committees for while in theory their usefulness was evident, they do not seem to have been particularly successful in practice and were eventually discontinued.<sup>12</sup> The Directive Committee in theory was backed by a Directive Division, and was to plan and direct the overall program of the Coordinator's Office, with the

<sup>11</sup> In a meeting with Budget Bureau officials on October 8, 1943, Mr. Rockefeller noted that some part of his organizational set-up was determined by these "problems of human nature," which provided a "natural pull and haul" rather than by administrative theory.

<sup>12</sup> The Propaganda Committee had two representatives of the State Department as ex officio members. Like the area committees, the Administration Committee also seems to have been of no continuing significance.



responsibility of making available to operating committees necessary information for the execution of their programs.<sup>13</sup> This division remained in existence until November 1943 but actually some time before had become really "a meeting to review what has been going on" instead of actually doing any directing of the program.<sup>14</sup> At this time the title of the Committee was changed and a "Weekly Current Activities Review" meeting was substituted for that of the Directive Council, and for another year carried out the function of reviewing the progress of the activities of the departments and divisions and received other current information on the activities of the Office or local conditions in the other American republics.<sup>15</sup>

The reason for the failure of the Directive Committee as an integrating device does not appear in documentary material concerning the agency's operations. It is probable that the forces which seemed to make the Directive Committee desirable were too strong to be overcome by it, for one thing. Another factor which may have been of significance was the fact that the pressure upon division heads in connection with their own operations was so great that they objected to devoting extensive time to consideration of problems not in their own particular field. This feeling is illustrated to some extent by a letter of Mr. Francisco to the Coordinator on September 22, 1941, in which he stated that as the agency got into its second year, he was impressed with two thoughts:

1. Every effort should be made to minimize the number and length of meetings which have to be attended by those in charge of operations, otherwise operations will lag.
2. The meetings of the former Executive Committee and the present Policy Committee have been very valuable up to the present time but it is questionable whether in the future time spent in these meetings by Division Heads and others will be as well spent as though concentrated on their individual responsibility.

In developing these points, he emphasized that if he were to report directly to the Coordinator or to Mr. Spaeth, he would not have to sit through discussions of commercial, financial and cultural projects and policies which were interesting, but which he doubted would be "time as well spent

<sup>13</sup> Chart of September 1, 1942. John E. Lockwood, General Counsel was Director of the Division; Enrique de Lozada, Associate Director.

<sup>14</sup> Don Francisco to Nelson A. Rockefeller, November 20, 1943. Another memorandum from G. A. Dudley to Don Francisco, November 17, 1943, noted that the "morning staff meetings" had taken over most of the really directive functions.

<sup>15</sup> Don Francisco to staff, November 22, 1943, ordered discontinuance of Directive Council on November 24. The weekly review meetings continued until about the end of the European phase of the war.

as the same amount devoted to the activities" of his own Communications Division, and that this would also eliminate the consumption of the time of 8 or 10 other executives who were not directly concerned with the communications work and who had had no great experience in that field. These men he thought could well report direct to the Coordinator also. He noted that in the six months that he had been attending meetings, he could recall only once or twice that he had felt it appropriate to argue about anything outside his own division. His feeling that the time had come to "decentralize responsibility and authority, simplify the lines of authority, streamline the organization, minimize the time involved in general meetings and return the time of operating executives for work which has become more important," exemplifies as well as any other statement which has been found a factor which tended to cause the several divisions to operate without full cooperation on some occasions.<sup>16</sup>

Within the several departments, staff committees functioned on occasion to plan the operations of their particular programs, while subordinate divisions also held staff meetings as necessary. Special meetings also were held from time to time for special purposes.

Practically from the start of its existence as an independent agency, the Office translated its program into action by means of a system of relatively formal project authorizations. The reason for the use of this project budgeting system is reasonably obvious. The Coordinator planned from the start to work through existing public and private agencies and desired to make various grants in connection with the specific activities to be carried on by these entities. Officials in charge of administration also were familiar with the practical value of the project system through connection with the Rockefeller Foundations, which used it as a part of fiscal control with success.<sup>17</sup>

Mr. Rockefeller likewise found quite early that it was desirable to have a formalized procedure in regard to his relationships with the State Department, for the authority under which he operated in regard to programs outside the United States required consultations with the Department, and by May 1941, he was required to ob-

<sup>16</sup> Critics of CIAA and other war agencies frequently noted a lack of integration — circulation of the catch phrase "It would be well to appoint a Coordinator to coordinate the Coordinators" illustrates this.

<sup>17</sup> Mr. Arthur Jones, first in charge of administration, had been associated with the Rockefeller enterprises.

tain its approval for each specific item. In addition, the formalizing of each item in the program was of value in avoiding overlapping of activities or conflict with another agency,<sup>18</sup> in giving an overall view at any time of the operations of the Office, and as a record of the expenditures of the agency if ever required.

The Council of National Defense quite early directed the Coordinator to use a specific procedure for the approval of projects initiated by the OCCCRBAR which would require reimbursable services by other Federal agencies.<sup>19</sup> The procedure indicated that where projects would involve a reimbursement or expenditure in excess of \$5,000, the Office of the Coordinator would prepare a statement summarizing the following points:

- a. Origin, nature, and scope of proposed project or service.
- b. Work plan and reimbursement estimate of the servicing agency.
- c. Evaluation of the importance of the project or service to the program of the Coordinator.
- d. Recommendation with respect to the advisability of the project or service in view of its probable cost and usefulness.

The proposal would then be examined by the Bureau of the Budget, which would make the necessary recommendations in each case. This method of operation fitted in well with the project authorization system which the agency was to develop as a regular procedure.

No formal administrative memorandum on project authorization procedure was issued by the Coordinator until March 3, 1942. The one issued on this date, however, actually covered a procedure that had been followed informally for some time in carrying out the activities of the agency; previously, however, there had been some lack of uniformity in the handling of projects. The instruction of March 3, 1942, established a flow for projects from the time of their initiation through presentation to the Policy or Project Committee and subsequent translation into operation under the supervision of the several divisions.

Control of operations through approval of projects was first handled by the Executive or Policy Committee of the agency, which acted to approve specific projects for some two years.

As noted earlier in this chapter, the Executive (or Policy Committee as it had come to be known) was abolished on August 31, 1942, because specific projects had become so numerous that its time was largely devoted to their consideration and approval rather than to consideration of broader aspects of operations. At the same time a somewhat smaller Project Committee was created, consisting of the Coordinator, the Assistant Coordinators, the General Counsel, and the Budget and Finance Officer, whose duty it would be to consider and authorize specific individual projects.<sup>20</sup> Persons representing the interest of particular divisions of the Office in specific projects could be called to attend when the need arose. The Project Committee continued in existence throughout the remainder of the life of the agency.<sup>21</sup>

The first step toward the authorization of a project was the decision of the Director of some particular division of the Office that an idea proposed for the initiation of an activity was worthy of further consideration. When this decision to initiate a particular project had been made, a draft of the proposal was prepared in a form prescribed in Office regulations. Normal procedure involved accompaniment of this draft by a complete file of all letters, documents, and memoranda of telephone conversations pertaining to the specific item under consideration.<sup>22</sup>

The approved form used in presentation of projects was established fairly early in the history of the agency. The first used, as shown in mimeographed project authorizations circulated as early as January 2, is essentially the same as that used in succeeding years although not quite as detailed.<sup>23</sup> The first item in the body of a project authorization form was its title, usually phrased with some attention to public relations.<sup>24</sup> The next item in the main body of the form showed which Division of the Office sponsored and would supervise the project. Since the proposed project must fall within a particular program authorized

<sup>18</sup> Memorandum on Project Authorization Procedure, December 26, 1944. Statements vary slightly in different memoranda, but the composition of the Committee remained essentially the same. For a time a Public Relations officer was a member.

<sup>19</sup> When the information divisions of the Office were transferred in August 1945 to the Interim Information Service under direction of the Department of State, a separate Project Committee was set up to approve information projects.

<sup>20</sup> Memorandum on Project Authorization Procedure, April 6, 1943.

<sup>21</sup> Its use thus antedated the first memorandum on project authorization procedure, sent out on March 3, 1942.

<sup>22</sup> This was usually made as short as possible, and for a time was even called a "Short Title."

<sup>18</sup> *Hearings, H.R., 1941*, p. 692.

<sup>19</sup> This memorandum was transmitted by letter of William H. McReynolds, Secretary to the Council of National Defense, to Nelson A. Rockefeller on September 13, 1940, by Mr. Breckinridge Long, Assistant Secretary of the Department of State, for clarification of procedure in regard to activities of the Coordinator in Mexico.

in the agency appropriation for the fiscal year, the particular program symbol was next shown.<sup>25</sup> A fourth subheading showed the corporation, Government agency, or other entity under whose auspices it was proposed to handle the project if authorized. A description of the project was then included which was supposed to indicate its background and its purpose in some detail; a memorandum of April 7, 1943, gives a full description of points which should be considered in the project description, as follows:

1. The importance of the project during war times should be explained.

2. The practicability of the project in the light of war conditions, with particular reference to manpower, should be stated if United States personnel are involved.

3. A full statement of the reasons for selecting a particular agency as recipient of the grant should be included, when this is not self-evident.

4. If the project provides for financial assistance to a private, public, inter-American, or international organization, a statement on the possibility of future support for the agency or the program being subsidized should be fully covered. This should include an explanation of the probable sources of support after the CIAA grant has ceased.

5. If the financial assistance is to a private agency, a quasi-official or governmental agency, a statement should be included explaining why assistance is necessary. In the case of a governmental agency, a check should be made to be sure that Congress has not previously refused appropriations to that agency for the same purpose.

6. If the proposed project presents a program related to the work of private or public agencies in the same field, a statement should be included indicating their approval of the project, as well as reasons why the CIAA is providing funds rather than the other agency. The project file should include a letter from the agency concerned as a record of its approval.

7. If previous assistance has been given to an outside agency for similar or identical purposes, the extent and nature of such aid should be described fully in the new project.

8. If support is being given to an inter-American agency, the contributions given by other governments should be described fully.

9. The interest of the Coordination Committee, the Embassy, or individuals in the other American Republics in the project should be described if there is any.

10. The proposed project should include a statement on its relationship to the overall budgetary program out of which the project is deriving funds, as well as its relationship to the complete program of the Division.

11. If the program provides for cooperation with another government agency or agencies, the project should describe the extent of participation of each and the detailed plan of cooperative activity.

12. If the project relates to the activities of another Division of CIAA, a statement should be included indicating the other Division's approval of the project. This approval should be substantiated by a memorandum of approval in the file.

<sup>25</sup> If a project was not in line with such a program, funds would not be available and it would be rejected.

13. If there are several projects with different agencies in the same area in the United States, each agency should be informed of the type of assistance being given by the CIAA to others.

14. If the project has previously been handled by the Coordination Committee out of its revolving fund, and is being continued under a regular project, a report on the local reaction to the program should be included.

Following the description of the project, a heading was included which allowed for a short and specific statement of the objectives expected to be attained; this statement was of particular use in later summaries which evaluated the progress and success of the particular project. The next item on the authorization form was an indication of the expected cost of the project and this was made on as specific a basis as possible with, in some cases, a maximum amount set where it was impossible to be exact in the estimate. Following the estimated cost a "Recommended Action" embodied the request which the Project Committee was asked to approve.

With the proposed project written up in proper form, the next step was to secure preliminary approval within the Division, and the form, with an "Approval Sheet" attached, was circulated for this purpose. The Approval Sheet was endorsed by the person in the Division to be in particular charge of the project, the Division head, the Division attorney, and the Assistant Coordinator or Deputy Director of the Department concerned, with these men making any reservations or comments on the proposal which they saw fit. After endorsement had been secured within the Division, a similar process was followed with regard to the Legal and Fiscal Divisions of the Office; here again these men entered qualifying comments if desired. When such preliminary approvals had been secured, the project next went to a Pre-Project Committee, representing particularly legal and fiscal branches of the agency, which formally considered the idea and the qualifying comments made up to this time. If the Pre-Project Committee approved of the project, the Fiscal Division now assigned a specific identification mark to it; this was made up of letters to indicate the Department, the Division, the particular program under which the project would be carried out, and the fiscal year to which it was assigned.<sup>26</sup> Project symbols and numbers

<sup>26</sup> Each part of the program of the Office was fixed by the budget estimate submitted to Congress and the appropriations granted by the latter for these specific activities of the Office. It was important, therefore, that the project be associated with a particular program so that funds might be available for it, and also that the fiscal year be shown because money for the programs was appropriated by fiscal year.

were not used in the earliest authorizations (with some occasional difficulties arising for this reason) but appear on project authorizations by the early part of 1941.<sup>27</sup>

With the project approved by the Pre-Project Committee, the authorizations now properly mimeographed were placed on the agenda of the Project Committee and considered by it in due time.<sup>28</sup> The Project Committee now considered it in its entirety and could reject it, recommend revision of the proposal, or approve it in the form presented. If the project were rejected or revisions were recommended, the sponsoring Division could, if desired, revise the proposal (if funds were available, of course) and present it again; in which case it would follow through the usual channels, as indicated, to the Project Committee. If approved, this authorization was then entered on the project authorization form under the proper date and a final heading on this form gave the instructions which were to be followed to put the project into operation.<sup>29</sup>

On occasion after a project had been approved by the Project Committee, the sponsoring Division desired to make changes in it, and where such changes were of any significance, a "Change Order" indicating the desired revisions was prepared and, with a copy of the project authorization as passed, was submitted to the Project Committee. Such Change Orders properly identified the project by number, indicated whether the Change Order was Number 1, 2, or 3 as the case might be, noted the Department which was requesting the Project Committee for a change, gave the title of the project, and then discussed the specific changes requested. If such changes were approved, these revisions became a part of the project file.

Any project which required renewal because completion was extended beyond the period for which funds for the particular program had been

<sup>27</sup> In an identification project number such as "BRA1-4419," the first letter would indicate the Department concerned (in this case, the Information Department); the second two letters would indicate that the Radio Division was sponsoring the project; the number "1" preceding the dash would indicate that the project fell under Program No. 1 as presented in budget estimates. The first numeral following the dash would indicate that the funds were drawn from fiscal year 1944, differentiating it from others of the Radio Division.

<sup>28</sup> Apparently on some occasions projects got underway before actual approval, for a memorandum of December 4, 1942, forbids approval on a retroactive basis.

<sup>29</sup> The "Instructions" paragraph on the project authorization sheet included a statement that the item must be cleared by the Department of State (when required) and also orders, legal documents if necessary, allotment of funds, and similar items. Amounts to be paid at field locations (New York, San Francisco, Los Angeles, or any of the American republics) were also noted.

appropriated, was handled as a new project authorization, except that it was noted as a renewal and retained the same title as the previous one with the addition of "Extended" in parentheses after the title. A renewal request would be given a new identification number and all renewals required a complete statement of justification in the form of an outline of accomplishments under the previous project authorization. Such renewals went through all of the regular channels that a new project would follow.

Most projects of the agency required approval by the Department of State as a final step before being put into operation. As indicated in a previous chapter, the Department had full authority to reject, revise, or approve any projects of the agency carried on outside the United States. For a time also projects within the United States were submitted for consideration and the Department always insisted upon the right to approve projects, wherever they were to be carried out, which affected foreign policy.<sup>30</sup> Projects concerned with the field of cultural relations were normally also considered in advance by the Joint Committee on Cultural Relations as long as that body remained in existence.<sup>31</sup> All projects of whatever nature were finally cleared through the State Department by the regular appointed Liaison Officer of CIAA, and none of those which required such clearance were put into operation until approved, with such approval transmitted through the Liaison Officer. Following this, the necessary legal papers were drawn, allotments made, and the project put into operation.

Fiscal controls of the disbursement of the funds for which the agency was responsible began to be put into effect as soon as the project had advanced to consideration by the Fiscal and Legal Divisions of the Office, for under the project budgeting method it was necessary both to determine whether funds were available under a program and to earmark the particular funds needed for each project so that appropriations would not be exceeded. If the project were rejected by the Project Committee, these funds could again be assigned to other activities; the amounts involved could also be modified by the Project Committee.

Some changes were made in project authorization procedure through the years of the agency's

<sup>30</sup> In the later years of the agency projects not affecting foreign policy and concerned with activities in the United States were submitted for information only, but these were comparatively few in number.

<sup>31</sup> See Chapter 15.

existence, but in general the major steps in the process remained the same. Not only did CIAA develop a procedure for the authorization of projects fairly early in its history, but likewise it became concerned with the carrying out of these projects once they had been put into operation. Also, it was found valuable to observe performance of projects on a continuing basis, both as a guide for the inauguration of new projects and as an evaluation of progress on the whole agency program. For this reason, a third phase of project control was devised by the setting up in March 1942 of a system for evaluation of project performance. At first a specific Project Performance Control unit was created.<sup>32</sup> After some months, it was found that the work of carrying out full reporting at regular intervals on the status of projects could be better handled in the divisions of the agency, and in July 1942, these divisions took over the task of maintaining project cards and records and making periodic reports on activities still in progress. The responsibility for coordinating the reports of the several divisions was centered in the Committee and Project Service Section which began the issuance of a regular monthly "Status of Projects" report compiled from divisional statements.<sup>33</sup> In May 1943, a revision of the system of regular reporting upon the progress of project performance was ordered, with the period of issuance of the Status of Projects changed from a monthly to a quarterly basis, the first such report covering the period from April 1 to June 30, 1943.

Each Status of Projects issued presented in summarized form data on those projects which were active or which had been completed since the previous report. The percentage of completion in the case of each project, both as to progress in the past and during the period of the report, was indicated; projects which had made no advance were listed with a showing of the number of months in which no progress had been made. A few performance remarks were included and other information, such as the amounts involved in the project, the person in charge, and identification symbols were also added.

Upon the conclusion of a project, a "Project Evaluation Report" was expected to be prepared for the files, indicating that the project had been

completed according to the terms of the project authorization. This Project Evaluation Report included the title, identification number, and amount of funds to be expended on the project; the contract number and the contractor; and finally, the total amount disbursed, together with a summary of results and accomplishments.<sup>34</sup> This latter statement was designed to guide the activities and expenditures of the agency, and this, in theory at least, was one of the important phases of the whole project budgeting system. The Project Evaluation Report, when finally ready for filing, was expected to be accompanied by a full file of all correspondence, memoranda, and other records dealing with the project from initiation to conclusion.

Project evaluation in the form envisaged proved to be a difficult thing to put into effective operation. In November, one member of the Legal Division reported that he had seen only two Project Performance Evaluation Reports in 6 months.<sup>35</sup> In February 1944, a memorandum was presented by the Committee and Project Service Section which indicated that while the reporting phase of the project performance function had been developed successfully since May 1943 and that all projects of the agency in operation or completed during the 1944 fiscal year were being fully reported in the quarterly Status of Projects, the procedure for evaluations of past and current projects had not been as successfully developed.<sup>36</sup> The memorandum ascribed this failure to a lack of understanding within the divisions as to the real need involved, and also to failure to properly delegate responsibility to one official who would have as a sole duty that of seeing that project evaluation was promptly and properly done. It was pointed out that records in the Committee and Project Service Section alone showed that over 1,200 projects had been undertaken by the CIAA since its inception and that of that number, performance had been completed in the case of over 600.<sup>37</sup> Not more than 100 closed project files had been deposited in Central Files, however, leaving at least 500 still to be evaluated, plus a number of letters of agreement which had been

<sup>32</sup> This form included space for signatures of all the different officials (to the number of ten) who were expected to examine and approve the Project Evaluation Report.

<sup>33</sup> Lawrence Levy to John Lockwood, November 26, 1943.

<sup>34</sup> Memorandum on "Implementation of Those Parts of Mr. Rockefeller's Instruction of December 14, 1943, on Project Evaluation and Records," February 3, 1944.

<sup>35</sup> This memorandum actually underestimated to quite an extent the number of projects which had been inaugurated by CIAA.

<sup>32</sup> Memorandum on Project Authorization Procedure, March 2, 1942.  
<sup>33</sup> The Administrative Instruction No. 3, July 1942, on procedure for project authorization control and evaluation; memorandum on Project Performance Records and Reports, May 10, 1943; Marion F. Roach, August 11, 1944.

completed but never checked and closed out. The memorandum also stated that of the approximately 100 project files and 260 letters of agreement files which had been closed and sent to General Files, some were still active, and likewise that the information in those that had been deposited was not complete. No closed project files had been sent to Central Files between June 1942 and the date of the memorandum. Procedure was suggested by which the process of project evaluation could be speeded up; however, despite its importance, this phase of the project procedure seems to have been less successfully carried out during the history of the agency than other portions of the project budgeting method.<sup>38</sup> According to a statement of at least one administrative official, evaluation of projects was frequently difficult, because at the time that the books finally could be closed on an individual activity, many persons concerned with its development were no longer available for consultation.

The Coordinator was normally granted each year certain funds which he could spend to meet emergencies of a confidential character with certification only as to the total amounts used. This authority, however, in no way released the Coordinator from the necessity of keeping within the Office a detailed and complete record of the nature and cost of such confidential projects. The following procedure was established in order to insure that such a record was maintained:

(1) the determination of whether the project was of such nature that its content and details of cost should be treated as confidential was made by the Coordinator with the advice of the General Counsel;

(2) if so determined, all files were placed in the hands of the General Counsel, then turned over normally to the Department head responsible for operation of the project, who thereafter maintained a record of arrangements made for its execution, for reporting upon performance, and for itemizing of expenditures;

(3) prior to entering upon any commitment in relation to a confidential project, the official responsible for it consulted with the Financial Director as to the availability of funds while the latter arranged for the allocations necessary to meet the cost of the project. The Financial Director also assigned to it in identification name and number by which it could be designated in associated transactions which were not themselves confidential; and

(4) the necessary public vouchers for execution by the payee and by the Coordinator in connection with financial payments on a confidential project were prepared by the

<sup>38</sup> The writer found out that by December 1945, not more than 100 closed projects had been deposited with Central Files; many divisions, however, retained in their own files project evaluation sheets and supporting data.

Financial Director but could be approved only by the Coordinator.<sup>39</sup>

All in all, the project budgeting method as used by CIAA is considered to be a definite contribution to governmental administrative practice.<sup>40</sup> Through it the administrative heads of the agency had a mechanism for the control of policy through full consideration of each and all projects by a responsible committee which had to grant specific approval before they could be inaugurated. They could likewise at any time, through the performance control part of the system exemplified by the Status of Project reports, call for a review of the projects of any Division for comparison with the work of other Divisions and for evaluation of accomplishments in the light of the general objectives of the overall program. Fiscal controls were made operative through the allotment procedure by which availability of funds was examined prior to the actual making of obligations, and through the usual establishment of formal obligation by means of contracts and project orders, etc. The project budgeting system also was of definite value in the outside relationships of the agency such as the justification of budgets before Congressional committees, where an examination of the "Status of Project" reports after these became available was regularly requested. The project authorization system also offered a formalized procedure in connection with the approval of projects by the Department of State, and it likewise was of aid in avoiding overlapping of activities between CIAA and some other agency.<sup>41</sup> Finally the "Status of Project" reports offered a method of survey in some detail of the operations of the agency by Division at any time after July 1, 1942, and the project authorizations and the project evaluation reports serve, to a certain extent at least, as a record of the expenditures of the agency during its existence.

The Coordinator and his chief assistants kept in constant touch with the operations of the Agency through personal contact, reports, and correspondence. All divisions reported on activities during most of the history of CIAA on a regular weekly basis. Some semiannual and annual

<sup>39</sup> Memorandum of February 3, 1942.

<sup>40</sup> Cf. Gosnell, "Information Activities of CIAA," (draft) July 22, 1944, p. 114. The idea of handling expenditure funds through project budgeting is said to have been utilized in broad form in part of the relief and rehabilitation program of government agencies during the depression period, but not as a specific working technique of a single operating agency.

<sup>41</sup> Hearings, H.R., 1941, p. 692.

reports are also in the files, and to a certain extent at least, budget estimates for the several years indicate progress in the field of operations although probably from an unduly optimistic point of view.

Various bulletins were likewise sent out by the agency to indicate to its members, and in certain cases to sectors of the public, its activities and progress. The number of these bulletins and their form varied somewhat during the years; a list of 1942 showed 21 bulletins being issued regularly. Of these bulletins four were classified as concerned with "Analysis and Directives," five as "over-all," bulletins and the remainder as covering "Activities." Three were sent out daily; 1, semi-weekly; 11, weekly; 1, bi-weekly; 2, monthly; and 2 occasionally.

Transmission of policy into operations was

carried out by personal instructions to individuals either verbally or by letter, through staff meetings, years of corporation operations by means of a complete and voluminous "Administrative Field Manual." This manual, said by officers of the agency to be an exceptionally well worked out instrument for directing administrative procedure was officially adopted by the corporations on December 1, 1943. In it were included all regulations and administrative bulletins then in effect and subsequently it was kept up-to-date by regulations issued from time to time. In addition, it kept field officers and administrative personnel informed of all changes in government regulations and other matters which would affect the operations of the agency.<sup>42</sup>

---

<sup>42</sup> A copy of this manual has been deposited with this account in the National Archives.

## THE SUBSIDIARY CORPORATIONS

In addition to the coordination committees, CIAA used subsidiary corporations as a medium for carrying out its direct operations in the other American republics. The decision to attempt to create such subsidiary corporations was reached in the latter part of 1941 when the Office became interested in health and sanitation problems in the other American republics. In taking up consideration of this program, a case study in the technical field was first made, in connection with which persons from the Rockefeller Foundation gave assistance. In addition to the information which they gave upon the health work of the Foundation, they likewise described its method of operation from the legal point of view, and the Coordinator decided that a corporation would be extremely useful as a device to meet certain problems inherent in the health and sanitation work as planned.

The advantages of the corporate form of organization for certain operations of CIAA are obvious enough and are described by one of the lawyers of the agency in the following words:

In accordance with your request, the following is a general summary of the advantages of carrying out a program such as your educational program in the other American republics through a corporation such as the Inter-American Educational Foundation, Inc.

1. Funds received by the corporation are good until expended, whereas funds appropriated by Congress to Government departments and agencies such as the Office of the Coordinator of Inter-American Affairs, generally revert to the General Fund of the Treasury at the end of the fiscal year if not spent or obligated as of that time.

2. The program is to be carried out in the other American republics thousands of miles distant from the United States and it is desirable to have the authority to conduct the operations in accordance with local laws, customs and procedures, which authority is in the corporation. Normal United States Government operations must follow the statutes and regulations of various Government departments and, as a result, business relationships in the other American republics may be in conflict with local laws, customs and procedures, result-

ing in delay and embarrassment to the operations. The corporation does not have to follow United States Government procedure if it will embarrass the operations.

3. The corporation may determine the procedure and rules applicable to the hiring of personnel in the other American republics, which procedures and regulations undoubtedly will be in accord with local customs, procedures and wage scales. Normal Government operations are restricted by Civil Service and classification statutes which, in many instances, have the effect of delaying the hiring of personnel and require cumbersome procedures which result in an undesirable condition and delay in operations.

4. A corporation, through its members and its board of directors, has complete jurisdiction to determine policies and methods of carrying out its program which results in flexibility, tending towards efficient and effective methods of operation.<sup>1</sup>

The Office also felt that programs could not be carried out to best advantage unless they were essentially cooperative and unless the full support of the governments and peoples in the other American republics were enlisted, and it was felt that the corporation form would lend itself well to the working out of cooperative agreements.

This form of organization also had an advantage in that at first it was hoped that funds for the health and sanitation program would be granted through the Reconstruction Finance Corporation; many of the operations of this agency were already being carried out by similar corporations. All in all it was hoped that the subsidiary corporation would place administration of certain programs of the agency on as flexible a basis as possible.<sup>2</sup>

In preparation for organization of subsidiary corporations it was necessary to gain additional authority from Congress and this was sought in connection with supplemental appropriation legislation then under consideration. In the Third Supplemental Appropriation Act, approved December 17, 1941, the agency was granted the authority to

<sup>1</sup> Kenneth R. Iverson to Kenneth Holland, February 18, 1944.

<sup>2</sup> J. C. McClintock to Laurence Duggan, April 8, 1942.



cause corporations to be created through inclusion of a clause allowing money made available to the Coordinator to be used for "causing corporations to be created under the laws of the District of Columbia, any State of the United States or any of the other American republics to assist in carrying out the Coordinator's program and capitalizing such corporations."<sup>3</sup>

At the Rio Conference held in January 1942, one of the conclusions approved by the parley recommended that the governments of the American republics take individually or by "complementary agreements between two or more of them, appropriate steps to deal with the problems of public health and sanitation, by providing, in accordance with ability, raw materials, services, and funds."<sup>4</sup> The preparation of the draft for this resolution was the joint work of the agency<sup>5</sup> and the Department of State.

As the program for health and sanitation, and also food production, developed in February and early March, the agency's plans for development of one or more corporations to handle the matter also were completed. The Bureau of the Budget at first expressed some doubt as to the desirability of incorporating the project, through fear that the responsibility of CIAA would be lessened and fiscal and budgetary controls weakened.<sup>6</sup> The Office, however, was able to convince the Bureau of the Budget that its responsibility would not be reduced or altered, nor would administrative controls be impaired, and by March 18, 1942, the agency was able to begin to set up the proposed corporation.<sup>7</sup>

In working out the plan of incorporation, the agency decided that the proper type to adopt was the nonstock or membership corporation, on the basis that it was one which would meet with wider approval among the people of the other American republics than the regular business or stock corporation. The State of Delaware was chosen as the proper place in which to incorporate because the laws of the District of Columbia and also of New York in regard to nonstock or membership cor-

porations as contemplated were not considered broad enough to cover the activities planned.<sup>8</sup> The certificate of incorporation for The Institute of Inter-American Affairs as the first subsidiary corporation of CIAA was filed March 31, 1942. The objects and purposes for which the corporation was formed were stated to be to "aid and improve the health and general welfare of the people of the Western Hemisphere in collaboration with their governments." In regard to the furtherance of such purposes, the corporation was granted wide powers to acquire property, to purchase and deal in foodstuffs and other supplies, to promote programs for not only the control of disease but also for the production of nutritive foodstuffs, to educate nurses, doctors, and other persons, and to cause additional corporations to be organized when necessary. It was allowed to collaborate with any type of organization or with an individual in carrying out this program, to enter into and perform contracts of all kinds, to borrow or raise money for the purposes of the corporation, and to have offices anywhere in the United States or in any political subdivision of the Western Hemisphere. Under the articles of incorporation, The Institute of Inter-American Affairs was to have perpetual existence.<sup>9</sup> It was felt essential to clothe the corporation with every possible power because at that time it was impossible to foretell the effect of the war in the other American republics and the detailed nature of the operations which the agency might have to carry out.<sup>10</sup> That there was no actual intention to make full use of these powers at the moment, however, is evidenced in a statement that it was not contemplated that any real property would be acquired by the Institute, as all projects undertaken by the health and sanitation program were to become the property of the national governments involved.<sup>11</sup>

The management of the Institute of Inter-American Affairs was placed in the hands of a Board of Directors of not less than three in number, all of

<sup>3</sup> Public Law 353, 77th Congress.

<sup>4</sup> "Report on the Third Meeting of the Ministers of Foreign Affairs of the American Republics, Rio de Janeiro, January 15-28, 1942", p. 56.

<sup>5</sup> In particular of the Consejero, Dr. Enrique S. de Lozada, who was familiar with health conditions and needs of the other American nations.

<sup>6</sup> In a letter to Mr. Smith dated March 14, 1942, the Coordinator noted that "in previous conversations" Budget Bureau officials had been concerned on this point.

<sup>7</sup> J. C. McClintock to B. L. Gladieux, March 18, 1942.

<sup>8</sup> Nelson A. Rockefeller to Comptroller General of the United States, March 23, 1942. The laws of the State of Delaware had adequate provision for the formation of a corporation in the form of the Institute and the laws of that State also provided for the organization of further subsidiary corporations if these were necessary (*Hearings, H.R., 1943, Pt. 1, p. 569*).

<sup>9</sup> Certificate of incorporation of IIAA. The incorporators were Nelson A. Rockefeller, J. C. McClintock and John E. Lockwood.

<sup>10</sup> Nelson A. Rockefeller to Senator H. F. Byrd, May 24, 1944.

<sup>11</sup> J. C. McClintock to Laurence Duggan, April 8, 1942.

whom were to be members of the corporation.<sup>12</sup> The by-laws of the Institute provided that the directors appoint from among their number an Executive Committee for the transaction of such business of the corporation as required attention between meetings of the Board of Directors. Officers of the corporation were a President, Vice-President, Secretary, Assistant Secretary, Treasurer, and Assistant Treasurer.

Full control of the Institute of Inter-American Affairs was maintained by provisions that all members of the corporation were to be designated by the Coordinator in his official capacity and might be removed at any time at his discretion. In the event that the Coordinator should be replaced by another government officer or agency, that officer or agency would exercise the same power.<sup>13</sup> At the time of its organization it was also understood that the same degree of control in clearance with the Department of State as existed between the Coordinator's Office and the Department would continue under the corporate arrangement.<sup>14</sup>

The work of the Institute of Inter-American Affairs at the start was carried out by three divisions. A major division of the corporation was organized to handle health and sanitation, another dealt with food supply, while a third was set up to carry out emergency rehabilitation. The last-named division, which dealt with only two major projects during its existence,<sup>15</sup> was abolished January 7, 1944, with the remaining field activities under its direction transferred to the Food Supply Division and its special projects assigned to both Food Supply and Health and Sanitation Divisions. A third division was again added when the Training Division was established July 4, 1944<sup>16</sup>; this part of the organization handled the training of persons selected in the other American

republics and brought to the United States for a period of instruction in connection with the programs of the two other divisions of the Institute.<sup>17</sup>

Financing of the Institute of Inter-American Affairs was carried out by grants-in-aid from the Office of the Coordinator of Inter-American Affairs, with the first funds derived from an allocation of \$25,000,000 in cash and contract authorization granted to the Coordinator by President Roosevelt from his Emergency Fund in February 1942. A question arose almost immediately as to whether funds granted to the corporation were subject to statutes of the United States which regulated the expenditure of Government funds; if so, it was felt that the program of the Institute would be hampered because of certain difficulties in regard to the hiring of employees and in connection with the expenditure of funds under Federal statutes in the other American republics, where business practices and laws differed in many respects from those of the United States and where the problem of distance itself would complicate matters. This question was submitted to the Comptroller General of the United States on April 28, 1942, and on May 22 that officer ruled that the funds of the Institute must be expended in accordance with statutes generally applicable to the expenditure of Government funds, also that the General Accounting Office would audit its accounts.<sup>18</sup> As a result of this decision, the Office of the Coordinator of Inter-American Affairs then requested that the President waive the provision of law regulating the expenditure of Government funds and in the employment of persons, which he had the power to do under the Independent Offices Appropriation Act of 1942 (Public Law 28, 77th Congress, approved April 5, 1941); the justification advanced was that the Department of State had already committed the agency to the carrying out of health and sanitation programs in cooperation with the other American republics.<sup>19</sup> Then, in presenting its budget estimates for 1943, the Office included a request for additional powers which would eliminate difficulties where expenditures and employments outside the continental limits of the United States were concerned, and

<sup>17</sup> The Training Division also assisted later in the training of persons brought to the United States by the Transportation Division of OCIAA, and gave some assistance to other persons from the other American republics engaged in technical studies.

<sup>18</sup> Nelson A. Rockefeller to Harold E. Smith, June 1, 1942.

<sup>19</sup> Nelson A. Rockefeller to Harold E. Smith, June 1, 1942.

<sup>12</sup> *Hearings, H.R., 1943*, p. 569. "The members of the Institute, as designated by the Coordinator of Inter-American Affairs, are Nelson A. Rockefeller, Percy L. Douglas, Wallace K. Harrison, John E. Lockwood, Enrique S. de Lozada, Joseph C. Rovensky, and John C. McClintock, all of whom are officials of the Office of the Coordinator of Inter-American Affairs. The by-laws of the Institute provide that the members shall elect the directors, who must be members of the Institute. The first board of directors comprised the same individuals as are the members of the corporation."

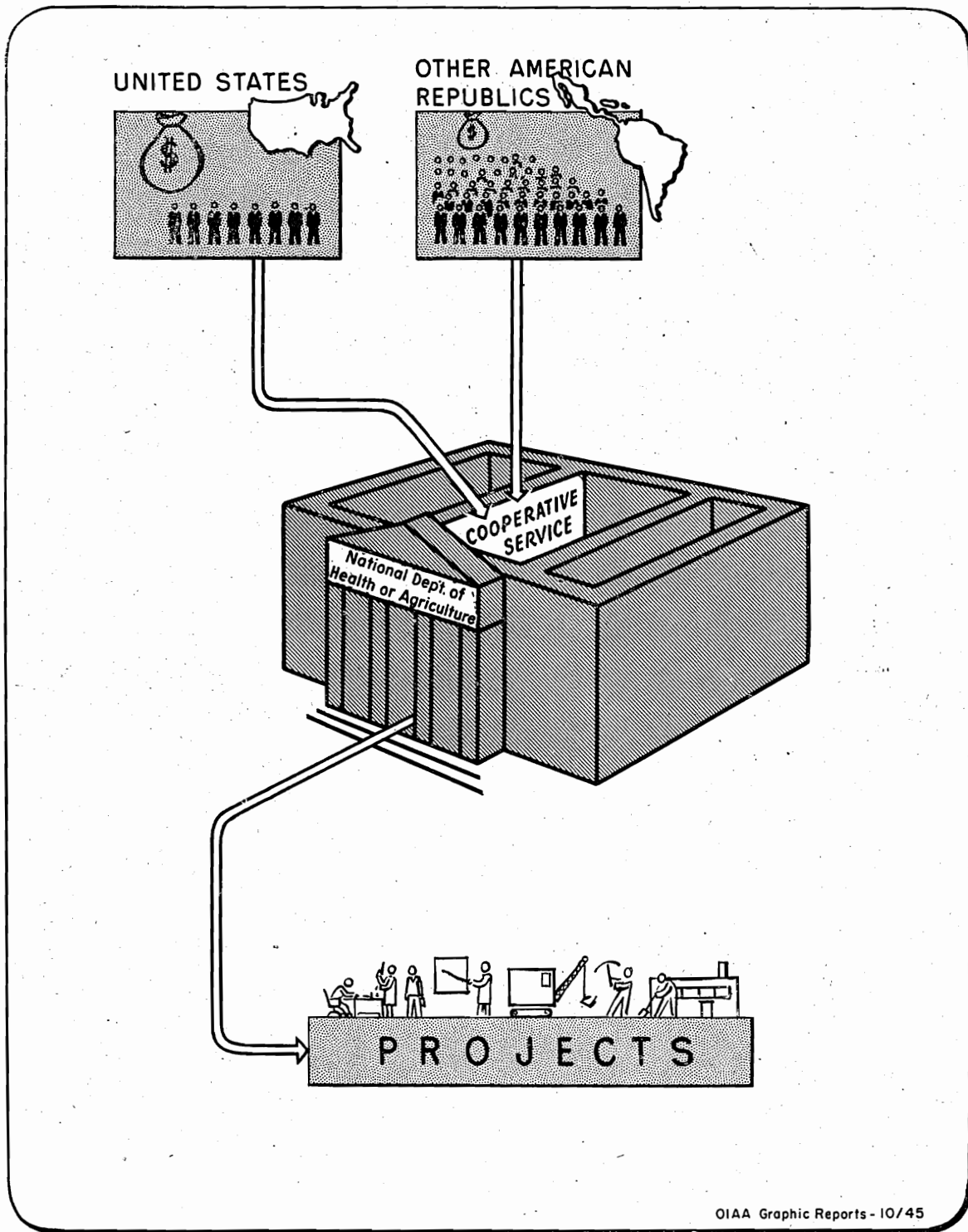
<sup>13</sup> Memorandum on the Institute of Inter-American Affairs prepared March 15, 1944.

<sup>14</sup> J. C. McClintock to Laurence Duggan, April 8, 1942.

<sup>15</sup> These projects were one for rehabilitation of the El Oro Province of Ecuador following the boundary war between that country and Peru, and one for the construction of a road in Honduras. A small project, involving expenditure of \$25,350 in Nicaragua, was also carried out.

<sup>16</sup> The Executive Committee of the Institute voted to set up the Training Division at a meeting June 21, 1944, in line with a memorandum of Dr. Dunham of June 20, 1944.

# SERVICIO (COOPERATIVE SERVICE) A METHOD OF JOINT ENTERPRISE



OIAA Graphic Reports - 10/45

OIAA GRAPHIC REPORTS OCTOBER 1945

this provision was granted in the Appropriation Act of that year.<sup>20</sup>

The principal activities of The Institute of Inter-American Affairs were carried out in cooperation with the other American republics, according to the terms of agreements entered into with those governments.<sup>21</sup> Permission and authority to handle such activities were first based on an agreement between the Government of the United States and the government of the country concerned; usually through the medium of exchange of diplomatic notes between the Ambassador of the United States in that country and its Minister of Foreign Affairs.<sup>22</sup> Detailed agreements for the operation of cooperative service units to direct the work of each division of the Institute operating in the country was then made between The Institute of Inter-American Affairs and the Ministers of Health or Agriculture of the other nation.<sup>23</sup> Under these agreements both parties provided contributions in accordance with ability of raw materials, services, and funds. Normally, contributions in the form of funds were arranged on a sliding scale, with those of the United States diminishing while those of the other government increased, with the objective that the local government would be in a position to carry on operations on a permanent basis after contributions by the United States had ended.

Agreements were for a specific period of time (usually two or three years) and could be extended by renegotiation. The actual work in the fields of health and sanitation and agriculture were usually performed by special cooperative service units created by law by the local government within its frame work. Such a unit was known usually as a "servicio"<sup>24</sup> and was normally an integral part of

the appropriate ministry of the country. The man heading a field party, called Chief of Field Party, represented The Institute of Inter-American Affairs and at the same time was appointed Director of the servicio by the local government; in the latter capacity he was thus in effect an official of the local ministry.<sup>25</sup> The Chief of Field Party in his capacity as a representative of the Institute had necessary authority to carry out his work within the limits of broad policies laid down by the Washington office. Local problems and projects were worked out by the Chief of Field Party with the local Minister, with the idea that it would serve to stimulate interest and responsibility on the part of local authorities and would provide them with experience in carrying out activities after United States participation had ended. Eventually in Brazil a Brazilian was appointed Superintendent of the health and sanitation servicio and for the two programs of the Educational Foundation in that country, one on rural education, the other on vocational education, Brazilians were appointed as Superintendents of the cooperative services.<sup>26</sup>

The servicio in most cases served as disbursing agent for contributions for health and sanitation work which were made by local governments and by the Institute. Since the Chief of Field Party was also Director of the servicio, and since his signature was required in connection with projects, purchases, and disbursements, full control of funds granted by the United States for this type of program in the other American republics was present at all times and use of these funds for the purposes desired was guaranteed.<sup>27</sup>

While the field parties working in the various countries were organized under individual agreements in connection with their specific type of activity (health and sanitation, food supply, emergency rehabilitation), as time passed it was found desirable for the Office to secure economy by certain cooperation in the administrative field. Attorneys assigned to the field to render legal assistance relative to the activities of CIAA and its subsidiary corporations were assigned on a regional basis and were directed to make arrangements

<sup>20</sup> Major General George C. Dunham to R. L. Thompson, May 18, 1945.

<sup>21</sup> The reason seems to be due partly to the nature of the program and partly to the fact that a large amount of the funds supplied for the programs came from the local government.

<sup>22</sup> Various party officials indicate that local governments were well satisfied with the handling of funds by this method and that in many cases, Ministries took pride in the fact that employment of local individuals by the servicio was made strictly on a merit basis rather than through patronage.

<sup>20</sup> " . . . Provided, That corporations heretofore or hereafter created or caused to be created by the Coordinator primarily for operation outside the continental United States shall determine and prescribe the manner in which their obligations shall be incurred and their expenses allowed and paid without regard to the provisions of law regulating the expenditure, accounting for and audit of Government funds, and may, in their discretion, employ and fix the compensation of officers and employees of the United States: Provided further, That the Coordinator shall transmit to the President immediately upon the close of the fiscal year a complete financial report of the operations of such corporations" (Public Law 678, approved July 25, 1942).

<sup>21</sup> *Hearings, H.R., 1944, Pt. 1, p. 245.*

<sup>22</sup> In a few cases the diplomatic notes were signed after agreements were worked out, with the latter not effective, of course, until such notes were signed.

<sup>23</sup> Major General George C. Dunham to Dr. R. L. Thompson, May 18, 1945. See also *Hearings, 1946, p. 549.*

<sup>24</sup> The health and sanitation field unit in Brazil was known as the *Servicio Especial de Saude Publica*, while those dealing with the same work in other republics were entitled *Servicios Cooperativos Interamericanos de Salud Publica*. Food Supply units also bore titles indicating their cooperative nature and connection with nutrition activities.

with the chiefs of party of the various divisions of the corporations in the several countries which the attorneys served, in order that they could render adequate legal services, since it was their responsibility to handle all legal problems arising in connection with the activities of both the agency and the corporations.<sup>28</sup> Likewise, while the field parties of the different divisions at first operated independently in regard to business matters, eventually a single business manager was appointed in countries, where deemed feasible, to handle the affairs of all field parties which functioned in those countries. This at first applied to only the missions of the Institute of Inter-American Affairs; later, when the Educational Foundation sent field parties, it was possible for the business manager to serve them also. In some cases business managers of the Institute field parties handled some funds for agencies outside CIAA, for they became disbursing agents for the Foreign Economic Administration in Ecuador, Chile, Peru, and Bolivia. In Colombia the Institute business agent even disbursed funds for UNRRA.

In general it was found undesirable to attempt to organize a field party set-up which extended beyond the borders of a single nation. In one or two cases this had to be done, but the question of national pride (and in some cases rivalry) would have caused friction if a chief of field party residing in one county should also be given authority over a unit working in a neighboring American republic. Therefore, while attorneys for field parties could serve the needs of corporation units in several republics, the authority of chiefs of party normally covered a single country only.

Some problems developed in the administrative operations of field parties in connection with administrative rules and regulations of the local governments, for it must be remembered that the servicio was a unit in the framework of that local government. In some cases the servicio was specifically excepted in the general agreement from local regulations and could make its own administrative rules as operations developed. In other cases, however, this was not authorized, and almost invariably it was found that these local rules and regulations could not be followed in putting the Institute's program into operation successfully. Usually where this was true, working arrangements developed under which the local regulations were usually by-passed with the consent of all

concerned and servicio procedure developed as needed with the local governments accepting that procedure.<sup>29</sup>

The general arrangement developed for administration of activities proved to be most successful where the maximum of flexibility was provided. In early days some of the general agreements signed by the Institute and the local Ministries included too many specific provisions or projected activities which later were found to be not in line with conditions. It was therefore found to be more desirable, as time passed, to make the basic agreements general in their nature and broad enough to cover almost any possible contingency, and then to delimit specific activities through a project authorization system in which each item was considered and approved by the Director of the servicio and the local Minister.

An important factor in the success of Institute operations, according to views expressed by several persons connected with field parties, was that decentralization was provided in the planning and execution of local field programs under a system by which all projects for a country were determined locally by joint agreement between the chiefs of field party and the local Ministry. At first there had been a desire to direct even the details of the program from Washington, but after some controversy it was decided that it was necessary that determination of individual projects be done in the field where actual working conditions could be studied. The resultant method was described by the Director of the health and sanitation program in 1945 as follows:

A Chief of Field Party does not refer any of his local health problems or projects to the Washington Office but works them out with the Minister of Health of the country. This decentralized method of operation, while it has its disadvantages, has worked out very well. It serves to stimulate interest and a sense of responsibility on the part of the local authorities and also affords greater assurance that the work undertaken by a Cooperative Service will be carried on eventually by the local health department concerned. It also has certain political advantages in that it avoids invasion of sovereignty.<sup>30</sup>

It is to be noted, however, that officials from Washington (such as Major General Dunham himself) were continuously in contact with the Chiefs of Field Party and worked very closely with them in the development of the program, and also that projects were reviewed by the Wash-

<sup>28</sup> Memorandum from Dr. George C. Dunham to John E. Lockwood, September 28, 1943.

<sup>29</sup> Information on this phase of administration was supplied by attorneys who had worked with various field parties.

<sup>30</sup> Major General George C. Dunham to Dr. R. L. Thompson, U. S. P. H. S., May 18, 1945.

ington Office. By these methods the latter maintained all of the control over the programs that was deemed necessary and advisable.<sup>31</sup>

The relations between the field parties of the Institute and the Coordination Committees of CIAA (which were largely concerned with the information program) were, in general, not very close. The activities of the two groups were different enough so that close cooperation was not required, and, in many cases, the field parties were not working in larger cities where the Coordination Committees were centered. Relations with the United States Embassies varied from country to country. In most cases the local United States Ambassador had little to do with the operations of the Institute field parties, and in general, had little interest in the details. In a few cases there was active opposition to parts of the program, as in the case of Venezuela where the local Embassy opposed the food supply plans. Some resentment also was felt by Foreign Service officials in regard to salary differences, for Institute personnel was usually much better paid than the former, whose compensation had been set under an older peacetime salary scale.<sup>32</sup> Lack of interest on the part of the Embassies may have been due to the fact that they received little policy direction from the Department of State in Washington in this regard, and little information in regard to the specific objectives of the program of the Institute.

The second subsidiary corporation caused to be created by CIAA was the Inter-American Navigation Corporation, incorporated on July 15, 1942. It was first planned to call it the Inter-American Transportation Corporation, but the name was changed shortly before establishment, probably due to the fact that proposed activities were limited to a shipping program. The formation of the corporation resulted from action of the Board of Economic Warfare on June 25, 1942, which authorized the Coordinator to execute a program of supplementing existing shipping facilities through a program of acquisition and coordination of all existing small tonnage in the Latin American trades, particularly in the Caribbean area, and through the construction in the other American republics of additional small vessels.<sup>33</sup>

<sup>31</sup> As noted by Mr. Kenneth Iverson, Counsel for the Institute.

<sup>32</sup> According to representatives who worked with the field parties, there was also occasional resentment expressed by Foreign Service Officers because of the additional work burden placed on them by the comings and goings of numerous technicians, not only of the Institute but also of the Foreign Economic Administration and other agencies connected with the war effort.

<sup>33</sup> *Hearings, H.R., 1946*, p. 593.

While the program planned was for the furtherance of navigational facilities, the Inter-American Navigation Corporation was given broad powers in its articles of incorporation to improve "the means and methods of transportation in the Western Hemisphere whether by land, by air, or by water" and it could purchase, construct, or otherwise acquire vessels, airplanes, motor vehicles, and all other means and facilities for transportation. It could likewise acquire plants, wharves, and terminal facilities, and transport passengers, mail, goods, or other merchandise to any place and ports of the world by any or all means of transportation. In general, the powers granted to the Inter-American Navigation Corporation to carry out its program paralleled those granted to The Institute of Inter-American Affairs. At the request of the Bureau of the Budget, however, power to organize corporations, and to borrow or raise money without limit to amount were deleted from the original powers intended to be included in the incorporation articles, and likewise, the existence of the corporation was changed from perpetuity to a period of 10 years.<sup>34</sup>

While the Institute of Inter-American Affairs was a non-stock corporation, the Inter-American Navigation Corporation was a government-controlled stock corporation. The total number of shares of stock which it was authorized to issue was 5,000 shares of a par value of \$100.00 per share. By arrangement, the entire capital stock of the corporation was immediately purchased by the Coordinator of Inter-American Affairs as agent for the United States Government.<sup>35</sup> The corporation was a nonprofit corporation and any revenue, earnings, or other profits were assigned to the carrying out of the corporation's objects and purposes.

In its organization the Inter-American Navigation Corporation was established on the basis laid down in connection with the Institute of Inter-American Affairs. In the case of the Inter-American Navigation Corporation, while most members were to be employees of the Office of the Coordinator of Inter-American Affairs for a time, at least one Director was drawn from outside the agency; this was Wayne C. Taylor, Under Secre-

<sup>34</sup> T. Munson to the Bureau of the Budget, July 2, 1942.

<sup>35</sup> The offer for purchase was contained in a letter of July 31, 1942, from Nelson A. Rockefeller to the Board of Directors of the Inter-American Navigation Corporation, and this offer was accepted by the latter in its first meeting on August 1, 1942.

tary of Commerce.<sup>36</sup> The corporation at the first meeting elected a President, Vice-President, Secretary and Treasurer.<sup>37</sup> The business and affairs of the corporation were managed by a Board of Directors (not less than three in number) which appointed the usual Executive Committee to function between meetings of the Board.

The Inter-American Navigation Corporation, through arrangement with the War Shipping Administration for the requisition of vessels in its behalf and in adherence to statutory procedure outlined by Congress for government acquisition of larger vessels, acquired some 15 vessels and, through construction activities, 2 other small ships. The vessels were operated through arrangement with commercial companies already in existence. In connection with its operations, the corporation arranged with the Reconstruction Finance Corporation for a loan of up to \$10,000,000.00 to finance contemplated construction, and actually borrowed the sum of \$192,952.00. Repayment of this loan was made on July 16, 1943.<sup>38</sup> The President on August 15, 1942, allocated from his Emergency Fund \$1,000,000.00 in order to provide for the establishment of an insurance fund to meet damage or loss of vessels operated by the Corporation.

On April 30, 1943, an agreement was made with the War Shipping Administration under which the Inter-American Navigation Corporation turned over to the former its ships for the purpose of coordinating all vessel operations in the Caribbean and Latin American trades.<sup>39</sup> With its major purpose completed, no further commitments were made by the Inter-American Navigation Corporation and liquidation proceedings were started.<sup>40</sup> Consent to dissolution of the Inter-American Navigation Corporation was filed with the proper official of the State of Delaware on February 25, 1944, and the proper certificate of dissolution issued and recorded;<sup>41</sup> under the laws of the State of Delaware, the liquidation period would last 3 years.

<sup>36</sup> Minutes of meeting of Board of Directors, Inter-American Navigation Corporation, August 12, 1942. The wooden ship program really originated with him.

<sup>37</sup> According to a memorandum of August 4, 1942, it was planned to elect two vice-presidents, one to be in charge of operations, the other to handle construction.

<sup>38</sup> Memorandum on the Inter-American Navigation Corporation, December 31, 1943.

<sup>39</sup> *Hearings, H.R., 1946*, p. 593.

<sup>40</sup> The program had not been a successful one (see Chap. 2). Intention of termination of "the existence of the Navigation Corporation as soon as conditions permit" was stated in a letter from the Coordinator to Harold D. Smith, Director of the Bureau of the Budget as early as May 27, 1943.

<sup>41</sup> *Hearings, H.R., 1946*, p. 593.

Five days after the Inter-American Navigation Corporation was created, another subsidiary corporation named Prencinradio, Inc., was caused to be formed by the Office of the Coordinator of Inter-American Affairs, again under the laws of the State of Delaware. This corporation was formed "in view of the practical difficulties in having the Government participate directly in foreign countries in activities of a confidential nature designed to improve existing media and to create additional media for dissemination of information in the other American republics."<sup>42</sup> In view of its confidential character, the formation of this corporation was not to be known to the public until its existence was announced by the "Wall Street Journal" on May 18, 1944. The articles of incorporation limited the life of Prencinradio, Inc. to 10 years, as in the case of the Inter-American Navigation Corporation.

The powers granted the corporation under its charter covered all phases of dissemination and interchange of knowledge and information, including press, cinema, and radio, although its primary purposes (and the only ones ever carried out during its existence) were to work in the field of developing radio facilities and the promotion and development of motion picture production in Latin America.

The Coordinator had full control over the membership of Prencinradio. The three original incorporators who constituted the original membership were not employees of the Coordinator of Inter-American Affairs, but at the first meeting they elected a membership from within the Office of the Coordinator of Inter-American Affairs and then immediately resigned. In a letter of July 27, 1942, granting funds to the corporation, the Coordinator included a directive which specified that "no new members of Prencinradio shall be elected except upon the appointment of the Coordinator, or directors or officers elected except upon his approval." He likewise had in his hands the undated resignations of all members, directors and officers of this corporation, and a resolution of its Board of Directors specified that all programs undertaken by it should be subject to the Coordinator's control, and that all personnel work and budgets should be subject to his approval.<sup>43</sup>

Prencinradio, like the Institute of Inter-American Affairs, was a Government-controlled, non-profit, membership corporation. While the corpor-

<sup>42</sup> Nelson A. Rockefeller to J. E. Lockwood, July 18, 1942.

<sup>43</sup> Minutes of Meeting of Board of Directors, July 27, 1942.

ation was not permitted to create corporations itself, by 1943 it had acquired majority control in a limited liability Uruguayan company called "Sadrep Limitada", which control was later sold.

Officers of Prencinradio, Inc., included a President, three Vice Presidents, a Secretary and an Assistant Secretary, and a Treasurer and Assistant Treasurer.<sup>44</sup>

The two projects originally undertaken by Prencinradio, Inc., were in process of liquidation by the spring of 1945.<sup>45</sup>

The Office of the Coordinator of Inter-American Affairs created no additional corporations until June 18, 1943, at which time the Institute of Inter-American Transportation was incorporated as a perpetual corporation under the laws of the State of Delaware. This corporation, like the Inter-American Navigation Corporation, was a Government-controlled, nonprofit (stock) corporation. Complete authority over the activities of the corporation by the Coordinator of Inter-American Affairs was exercised by virtue of his purchase as sole subscriber and as agent of the United States of the total capital stock (1,000 shares) issued at par value of \$100.00 per share.

The purposes of the Inter-American Transportation Corporation, as stated in the articles of incorporation, were almost identical with those of the Inter-American Navigation Corporation, that is, to assist and improve means and methods of transportation in the Western Hemisphere, whether by land, by air, or by water. Actually, however, the program which the Inter-American Transportation Corporation was formed to further was concerned with the improvement of the very serious conditions existent in the Mexican National Railways. A survey was made under the auspices of the Office of the Coordinator of Inter-American Affairs early in 1942 which showed that a program of rehabilitation was urgently needed. A series of discussions, an exchange of notes between the governments of Mexico and the United States in November 1942 made possible the authorization of a Railway Mission to Mexico.

Almost immediately the Office of the Coordinator of Inter-American Affairs set up the Mission under a Chief of Mission to go ahead with the program. By next spring it became apparent that the program was a long-range one, with need that money granted for the purpose of rehabilitation of the Mexican Railways be available to the Mis-

sion for the entire period of its existence. Nevertheless the Office did not wish to obligate more funds than were necessary and it therefore proposed in May 1943 that a corporation be formed to provide an instrumentality which would be responsible for this project.<sup>46</sup> After consideration, the Office had decided that The Institute of Inter-American Affairs, engaged in programs outside the transportation field, and the Inter-American Navigation Corporation, which the agency planned to terminate as soon as conditions permitted, were not satisfactory media for the projected plan. For this reason, the Institute of Inter-American Transportation was created; at the time the Office also planned to place under it its entire transportation program.<sup>47</sup>

By 1943 the pattern for subsidiary corporations had been reasonably established, and powers granted to the Institute of Inter-American Transportation are in general similar to those granted Prencinradio and the Inter-American Navigation Corporation. Incorporators of the Inter-American Transportation Corporation were employees of the Office of the Coordinator of Inter-American Affairs, and membership likewise remained within the agency. Management of the corporation was entrusted to the usual Board of Directors of not less than three persons, and this Board itself created an Executive Committee to function while the Board was not in session. Officers of the corporation, in addition to the Board of Directors, included a President, two Vice Presidents, a Secretary, a Treasurer and an Assistant Treasurer.<sup>48</sup>

Actual consolidation of other transportation work of the agency with the Institute of Inter-American Transportation did not take place because of opposition by the Bureau of the Budget.<sup>49</sup> The Railway Mission was continued as a direct operation of the Institute of Inter-American Transportation, and by the spring of 1945 its work was far enough along so that completion was planned by the end of the fiscal year 1946;<sup>50</sup> liquidation of the Institute of Inter-American Transportation would normally follow completion of the work of the Railway Mission.

<sup>44</sup> Nelson A. Rockefeller to Harold D. Smith, May 21, 1943.

<sup>45</sup> *Ibid.*

<sup>46</sup> Annual Report of the Institute for the Fiscal Year Ending June 30, 1943.

<sup>49</sup> A letter of Nelson A. Rockefeller to Harold D. Smith, Director of the Bureau of the Budget, noted that such consolidation was not favored by the Bureau.

<sup>50</sup> *Hearings, H.R., 1946*, p. 591.

<sup>44</sup> Annual Report of Prencinradio, Inc., for the fiscal year 1944.

<sup>45</sup> *Hearings, H.R., 1946*. For operations of the agency see Chaps. 5, 6.



The last subsidiary corporation to be formed by the Office of the Coordinator of Inter-American Affairs was the Inter-American Educational Foundation, Inc., which was created under the laws of the State of Delaware on September 25, 1943. Plans for the corporation had been developed during the preceding months; the program presented at the budget hearings in May laid out a basis for inter-American educational activities under bi-lateral agreements between the United States and governments of the other American republics, which would indicate thinking in line with operations as carried out by the Institute of Inter-American Affairs. On July 13, 1943, Mr. Rockefeller notified the Director of the Bureau of the Budget that the Department of State had approved formation of an educational foundation. The proposed corporation would have the usual advantage in regard to extending expenditures beyond a single year, and by this time also the possibility of employing such entities to carry on activities after the Office of the Coordinator of Inter-American Affairs itself had been terminated was recognized.<sup>51</sup> According to one account<sup>52</sup> the Bureau of the Budget at this time not only reviewed factors in connection with the proposed Educational Foundation but also the whole corporation idea as used by the Office of the Coordinator of Inter-American Affairs:

The budget examiners took the matter under consideration and decided that while the corporate device permitted and encouraged to some extent private financial contribution, both domestic and foreign, while it provided for a more flexible operation in foreign countries since it was not bound by government regulations and procedures, while it permitted an easy withdrawal from foreign enterprises, while it permitted the cushioning of any sudden failure on the part of the government to allow additional funds for the continuance of projects, and while it allowed continued operation by private enterprise, it also precluded budgetary and congressional review at periodic intervals, removed the operations concerned from the usual fiscal and administrative controls, tended to disburse rather than coordinate activities, precluded clear evaluation of programs, confused all the administrative service functions, and greatly complicated the fiscal job of the agency and the Bureau of the Budget. The budget examiners further contended that grants could be made for educational purposes as freely by the Coordinator's Office as by a corporation, that experience indicated the practicality of direct agency operation in Latin America, that the Latin Americans did not distinguish between such corporations and the United States Government, that programs which were not conducted openly and advertised as United

<sup>51</sup> Nelson A. Rockefeller to Harold D. Smith, July 13, 1943; Nelson A. Rockefeller to Sumner Welles, May 17, 1943.

<sup>52</sup> Draft of study on "Information Activities of the Coordinator of Inter-American Affairs" by Harold F. Gosnell, Bureau of the Budget, July 22, 1944.

States programs were of little or no value in furthering our relations with the other Americas, that the plans proposed for the new corporation duplicated and overlapped existing programs under operation in the Coordinator's Office or other agencies, and that there were questions as to the adequacy of the control to be exercised by the government over the proposed corporation.<sup>53</sup> In view of these considerations, the budget examiners expressed the view that a new corporation was unnecessary and that the establishment of a new division within an existing corporation would probably duplicate and confuse existing activity. They suggested, however, that since a means of continuing the availability of existing funds seemed necessary, an existing corporation might well be utilized as a disbursing agent for funds available to the educational program.

Further discussions between the Office of the Coordinator of Inter-American Affairs and the Director of the Bureau of the Budget followed, and apparently it was agreed that the Coordinator had power to establish the proposed organization, since it was incorporated on September 25, 1943. However, the Bureau of the Budget made clear that it was not completely satisfied with the system evolved in the pattern of subsidiary corporations in a subsequent letter dated October 25, 1943.

In a letter dated July 13, 1943, you presented to the Bureau of the Budget your plan to create two additional corporations, the Inter-American Educational Foundation and the Institute of Inter-American Information. We have, as you know, completed a rather careful review of the proposed educational foundation. The proposal concerning the Institute of Inter-American Information is now under consideration and we will let you have our comments as soon as possible.

The plan outlined in your letter for the creation of the Inter-American Educational Foundation appears to be within the authority granted by the 1944 appropriation and to have certain advantages. However, our review has brought out several questions which have already been discussed with you. These questions relate largely to the increased diffusion of responsibility for the agency's program among a number of independent corporations, and to the possible duplication of program and administrative activities between the proposed corporation and other units of your organization. These points seem to us to merit consideration. They are believed to be, however, matters for your Office to determine in the light of available information and accumulated experience.<sup>54</sup>

In reply to this communication the Coordinator made clear his position in regard to the proposed Educational Foundation, and the other Corporations created by the agency:

Thank you for your letter of October 25th, regarding the Inter-American Educational Foundation. We note that the Bureau is of the opinion that the creation of this Founda-

<sup>53</sup> This material was drawn from an unsigned memorandum of July 20, 1944, on "CIAA's Evolving Pattern of Corporations", as quoted in Gosnell's study.

<sup>54</sup> Harold D. Smith to Nelson A. Rockefeller, October 25, 1943, quoted in Gosnell's memorandum.

tion appears to be within the authority granted by the 1944 appropriation and to have certain advantages, but that you are concerned that this Foundation may lead to increased diffusion of responsibility for this agency's program and to possible duplication of program and administrative activities. As you know, we consider these corporations as agents for the purpose of carrying out specific programs in the other American republics where corporate procedures are better adapted to local situations than are United States Government procedures. However, we do not recognize that these corporations have any independent status so far as this agency is concerned. The corporations have the same responsibility to this Office as do the several departments and divisions. Moreover, no effort is being spared to the end that these corporations will (a) employ uniform administrative procedures (Government procedures where appropriate), and (b) use the available facilities of this Office in the carrying out of their programs instead of creating new facilities for that purpose.

As I fully share your desire to prevent diffusion of responsibility or duplication, I hope you will let me know if any instances come to your attention or that of members of your staff indicating that the use of the corporate device is resulting in such diffusion or duplication.<sup>55</sup>

The Inter-American Educational Foundation, Inc., followed the general pattern already well established in the case of other corporations. It was a Government-controlled, nonprofit, membership corporation; like the Institute of Inter-American Affairs, the Foundation was granted perpetual existence under the certificate of incorporation. The by-laws provided that the members of the Foundation were designated, and could be removed, by the Coordinator of Inter-American Affairs in his official capacity. Through the conditions in the grant of funds by the Coordinator he was in full control of its entire program. Management of the corporation was carried out in the usual way by a Board of Directors, which itself established an Executive Committee to handle the affairs of the corporation between meetings of the Board. Officers of the Educational Foundation included President and Vice President, Secretary and Assistant Secretary, Treasurer and Assistant Treasurer. The divisions developed by the Foundation were a Field Operations and Planning Section, and an Publications and Materials Section.<sup>56</sup>

The purposes of the Inter-American Educational Foundation as stated in its certificate of incorporation were to further the general welfare and strengthen the bonds between the peoples of the Western Hemisphere by undertaking and carrying out an inter-American educational program by

means of modern educational techniques and teaching aids.<sup>57</sup> Wide powers were granted to carry out the program through acquisition of property, materials, copyrights, scripts, motion pictures, and other similar items dealing with these activities. The Foundation could cause corporations to be organized if necessary and could accept money and funds of every kind. It was allowed to have offices in any part of the United States or in any country of the Western Hemisphere.

The organization which was developed for putting its program into action in the other American republics was similar to that of The Institute of Inter-American Affairs. The process involved first an understanding between the agency and the Department of State in regard to countries in which operations could well be carried out. Next, after proper study of conditions, members of the Educational Foundation staff went to the country concerned and developed tentative plans in conjunction with members of the local United States Embassy and with educational leaders of the country. When these plans were fully approved in Washington, diplomatic notes covering the program were exchanged between the United States and the individual country concerned.<sup>58</sup> Under the authority granted in these notes specific cooperative agreements were then signed which provided in some cases for the creation within the local Ministry of Education of a *servicio* which would carry out the program or for the establishment of a joint bank act with which funds the expenses of the corporation program would be paid. The types of activity envisaged normally provided for the furnishing of a field staff of educational technicians for service in a particular country; grants to permit educators of the country to go to the United States for specialized training and interchange of ideas and experiences with United States educators; survey in the country of local educational needs of various types; and development, adaptation and exchange of suitable teaching materials.<sup>59</sup> The program was then laid out in individual projects which were mutually agreed upon, usually in writing, by the Minister of the local government and the Chief of Party, and which provided for the specific kinds of work to be undertaken.<sup>60</sup> Administrative procedures

<sup>57</sup> Budget estimates emphasized that the educational program was one which had been strongly advocated by various inter-American conferences (*Hearings, H.R., 1945, Pt. 1, p. 982*).

<sup>58</sup> *Hearings, H.R., 1946, pp. 533-4.*

<sup>59</sup> *Hearings, H.R., 1946, p. 534.*

<sup>60</sup> *Ibid., p. 590.*

<sup>55</sup> Nelson A. Rockefeller to Harold D. Smith, November 8, 1943.

<sup>56</sup> Annual Report of the Inter-American Educational Foundation, Inc., 1944.

were also developed mutually and in agreement between the local Minister of Education and Chief of Party.

By agreement with the Department of State the program of the Educational Foundation was limited to elementary, secondary, and normal schools, except for work on illiteracy which would utilize various educational facilities as well as schools.<sup>61</sup> All programs were to be cooperative, both the United States and the host government contributing an appropriate share. In the case of several countries, fund contributions of the local government were taken into the Foundation and disbursed directly by it; in other cases the fund contributions of the local government were disbursed by the servicio through which the cooperative program was carried out.<sup>62</sup>

Because of the fact that the subsidiary corporations caused to be created by CIAA were primarily for operation outside the continental United States, as noted earlier they were granted certain exemptions from provisions of law regarding expenditure, accounting and audit of their funds. The Office as a matter of policy arranged to have its accounts audited by the Comptroller General of the United States. Negotiations were entered into with him in the calendar year 1942 and completed in July 1943. Under this arrangement the General Accounting Office was sent the accounts of the corporations from month to month for auditing. The changes in legislation in 1945 which specifically required auditing by the General Accounting Office of all Government corporations thus caused little change in the procedure of the corporations created by CIAA and they continued to send their accounts for audit in accordance with the previous arrangement.<sup>63</sup>

While only five corporations directly subsidiary to CIAA were created during its existence, creation of other corporations was under consideration at various times. Probably the most important of these tentative organizational proposals, and one which was studied on more than one occasion, was the idea of formation of a corporation to act in the information field; at the same time that the Inter-American Educational Foundation received approval from the Department of State, formation of an "Institute of Inter-American Information" was also approved by Under Secretary of

State Sumner Welles.<sup>64</sup> The reasons why the information corporation was never formed, although several times considered, probably was due to two factors: first, the strong rivalry which existed between the Radio Division and the Press and Publications Division made each object to a possible domination by the other, and second, the Bureau of the Budget was becoming increasingly reluctant to approve the use of the subsidiary corporation as an operating device. Also in 1943 a proposal was worked up for the formation of a training corporation on a basis similar to The Institute of Inter-American Affairs and under a similar system of control and supervision by the Coordinator.<sup>65</sup> Eventually, the Inter-American Training Administration (financed by the Office of Inter-American Affairs and associated with the Inter-American Development Commission) was incorporated as the International Training Administration, Inc.<sup>66</sup> This corporation was not specifically a subsidiary of CIAA, however, although the latter furnished funds and was served by the agency. The International Training Administration also served various other government agencies and private concerns.

The Motion Picture Society for the Americas was a private non-profit corporation created by CIAA in the early days to further certain of its objectives in connection with the motion picture program; its accomplishments have been described elsewhere.

Another private, nonprofit, corporation which the agency proposed at one time to use extensively for the distribution of 16-mm. motion picture films was Hemisphere Films, Inc., a private, nonprofit, membership corporation chartered in New York State to promote knowledge and education by producing and distributing educational motion pictures and similar devices, and closely associated with the Museum of Modern Art.<sup>67</sup>

During its existence, CIAA was associated with several private corporations created expressly to carry out certain projects or activities in the inter-American field; no specific discussion is necessary of the organization of these corporations, however, for obvious reasons. An example of this type of corporation is the American Association of Ad-

<sup>64</sup> According to a letter of Nelson A. Rockefeller to Harold D. Smith, July 13, 1943.

<sup>65</sup> Dudley B. Bonsal to Nelson A. Rockefeller, February 17, 1943, included a draft of a proposed letter to the Department of State.

<sup>66</sup> See Chap. 12 for further discussion of its operations.

<sup>67</sup> Memorandum from Benjamin Margolin to Lawrence H. Levy, July 1 1944. Plans in this connection were never carried out.

<sup>61</sup> J. E. Lockwood to Nelson A. Rockefeller, November 20, 1943.

<sup>62</sup> *Hearings, H.R., 1946*, p. 590.

<sup>63</sup> *Ibid.*, p. 563.

vertising Agencies Export Information Bureau, Inc., created in 1941 to carry out an advertising program of the Coordinator. Under the contract with this corporation the Coordinator reserved the right to modify, reject, cancel, or stop any or

all plans, schedules, or work in progress so that control was exercised over the activities of a corporation of this type. Membership and management, however, lay outside CIAA.<sup>68</sup>

<sup>68</sup> Don Francisco to J. Benson, May 5, 1941.

## COORDINATION COMMITTEES

The development of a field organization for CIAA was not started formally until August 1941. However, the Coordinator had been aware of the need for representation in the other American republics almost from the start, because of a realization that the program which he planned could not be effectively carried out unless certain basic information were received on conditions and opinion in those republics. The first attempt at field work arose out of a desire to gauge public opinion there and developed eventually into the establishment of a group of so-called "observers" located in several principal centers in the other American republics and making reports to the Coordinator's Office both on a regular basis and in reply to requests for spot information.<sup>1</sup> This operation was handled under a contract with the American Association of Advertising Agencies (usually called the "4 A's" or "AAAA") through a Research Division of its Export Information Bureau,<sup>2</sup> and the observers who were gathering information on the opinions, tastes, and customs of Latin Americans for the use of the Coordinator's Office did not directly represent the Coordinator. Sponsorship of the Export Information Bureau by the Coordinator's Office, however, was announced publicly by Mr. Rockefeller in a speech of February 8.<sup>3</sup> The observers sent out by the Export Information Bureau set up offices in several important cities with some eight centers eventually established.<sup>4</sup> They performed such

functions as maintaining a clipping service on local news, editorial opinion, and use of CIAA Press Division material in local newspapers; surveys on more important newspapers and radio stations in each territory covering technical facilities, audience or circulation, ownership, and international policy of owner or management; general reporting on political and economic subjects as required by CIAA and finally, whenever possible under local conditions and legislation, surveys on public opinion.<sup>5</sup>

During the first part of 1941 the Coordinator began to consider representation possibilities in Latin America on a wider scale, particularly in connection with the dispensing of information as well as its accumulation. There were already in certain cities of Latin America groups of United States citizens who were doing some work in making known locally the United States program in world affairs and its achievement in various fields, and there was also recognition of the fact that various other nations were making thorough use of their nationals residing in Latin America for information or propaganda purposes.

The next step in forming field organizations which would represent CIAA was taken in the spring of 1941. By this time the use of the observers on any great scale was unsatisfactory because of their association with an extensive program of advertising undertaken by the 4 A's for the Coordinator and which had to be canceled before it was well under way. In late April of 1941 Mr. Edward H. Robbins, Special Assistant to Mr. Rockefeller and Liaison Officer for CIAA with the Department of State, was appointed to ac-

<sup>5</sup> The observers were under the general supervision of a Reports Section of CIAA (Hadley Cantril to Carl Spaeth, August 8, 1941). The Coordinator's Office also at this time had a Propaganda Analysis Section which made use of some materials sent up by the observers as well as transcripts of short wave broadcasts, and also a Public Opinion Survey Section which planned to make extensive public opinion surveys using the observer system as a base.

<sup>1</sup> This operation is discussed in chapter 7.

<sup>2</sup> The original contract for public opinion research was between the Coordinator's Office and American Social Surveys, Inc., which was signed October 7, 1940 (Hadley Cantril to Don Francisco, May 8, 1941).

<sup>3</sup> According to Dr. Cantril, in *ibid.*

<sup>4</sup> Memorandum of Edward H. Robbins to Mr. Rockefeller, March 9, 1942, noted that services of the "4 A's" (as the American Association of Advertising Agencies was usually abbreviated in correspondence of the period) was maintained in the following countries: Argentina (Buenos Aires); Brazil (Sao Paulo only); Chile (Santiago); Peru (Lima, with subagent in Ecuador); Colombia (Bogota, with subagents in Panama, Guatemala, and Costa Rica); Cuba (Havana, with subagents in Haiti, Dominican Republic, and Venezuela); Mexico (Mexico City).

company the moving picture actor, Douglas Fairbanks, Jr., on a "good will tour" through the principal countries of South America. In his trip down the East Coast of South America, Mr. Robbins conferred with leaders in the United States colonies representing such organizations as press associations and branches of the United States Chamber of Commerce, and also the personnel of the U. S. Embassies. In his reports to the Coordinator he described conditions in regard to the widespread and well-entrenched Axis propaganda campaign; for example, he noted that:

With the present reverses for the British in Europe and Africa, Brazil has a tendency to lean towards the Axis powers. The importance of the work of the Coordinator's Office is extremely obvious here . . . the need of setting up an organization in Brazil cannot be emphasized too greatly . . .<sup>6</sup>

On June 6, 1941, after visiting Brazil, he wrote a memorandum from Santiago on the possibility of utilizing the various colonies of United States citizens in the other American republics as a medium for carrying out phases of the CIAA program because these persons had a knowledge of local conditions which would be of great value in guiding policy. He suggested that local organizations should be formed, preferably as a part of branches of the United States Chamber of Commerce, under the leadership of a first-class coordinator with special experience in the field of publicity and with some business and economic background. These organizations should be financed both by local United States business groups and by Government subsidy and should operate with the full knowledge and support of the United States diplomatic mission in each country, which should itself be supplied with a staff and equipment to aid in the program. He felt that such an organization could coordinate the activities of a mobilized colony of United States citizens in practically every field in which the Coordinator planned to operate.<sup>7</sup>

After Mr. Robbins had returned to the United States, he supplemented his earlier suggestions by asserting that no division of CIAA could function effectively in the field without proper advice and information with regard to various local situations, that no control for the spending of funds in the field for which the agency was responsible to

<sup>6</sup> Edward H. Robbins to Nelson A. Rockefeller, April 29, 1941, from Rio de Janeiro.

<sup>7</sup> In a later memorandum of July 14, 1941, Mr. Robbins listed these fields as: communications (press, radio, movies), culture, finance and commerce, shipping, export control and priorities, reception and introduction, public relations, health and security, and dealings with the Inter-American Development Committee.

Congress could be achieved without adequate representation, that no supervision of the execution of projects arriving in the field or information regarding results obtained was possible without field representation, and that no cooperation on the part of the various divisions of CIAA could be properly achieved in the field without establishment of coordination there.<sup>8</sup> Impetus was given to the idea of development of field units by the opinion of Mr. Norman Armour, Ambassador to Argentina, who felt that it would be of great value to him if he were to have a permanent representative of CIAA stationed in Buenos Aires, who, working under his auspices, could cooperate in his program, as well as to have the Embassy aid in carrying out projects of the Coordinator. Financial aid could also be granted through CIAA for projects of importance to the nation in Argentina.<sup>9</sup>

The Coordinator saw the possibilities of the suggestion made by Mr. Robbins almost immediately. By May 14, 1941, at an Executive Committee meeting Mr. Rockefeller told the staff that "indications pointed to the desirability of having representatives of the Office in the other American republics."<sup>10</sup> Shortly after Mr. Robbins returned to the United States on June 28 he had a conversation with President Roosevelt and among other matters told him that for effective aid to the other American republics, local supervision of the execution of plans and projects there was required: in other words, a specialized field organization.<sup>11</sup> The President requested Mr. Robbins to bring together Colonel William Donovan, Coordinator of Information, Under Secretary of State Sumner Welles, and Mr. Rockefeller for discussion of the development of such a field organization.<sup>12</sup> Mr. Robbins also developed further his proposal for the establishment of a field organization in a memorandum of July 30, 1941. In this he proposed that autonomous field units be organized, beginning with Brazil, Argentina, Chile, and Peru. These

<sup>8</sup> *Ibid.*

<sup>9</sup> Memorandum of E. H. Robbins to John E. Lockwood on conversation held by Mr. Armour, Mr. Rockefeller, Jr., John Hay Whitney, and himself on July 7, 1941. In a CIAA Executive Committee meeting of July 29, 1941, it was noted that Mr. Duggan, of the State Department, liked the idea of setting up "autonomous units" very much.

<sup>10</sup> Minutes of Executive Committee Meeting, May 14, 1941.

<sup>11</sup> Edward H. Robbins to Nelson A. Rockefeller, July 18, 1941, reporting on a conversation with the President. Mr. Robbins was a relative of the President and was consulted by him occasionally on Latin American affairs.

<sup>12</sup> As noted in a letter of Nelson A. Rockefeller to President Franklin D. Roosevelt, August 19, 1941. Mr. Rockefeller also noted that there had been prior discussions of this matter with the Department of State and Colonel Donovan and informed the President of the agreement (just signed by himself and Secretary Hull) to organize the future coordination committees.

units would be organized into various subdivisions for the purpose of carrying out work in about the same fields that he had suggested earlier in July. To head the units in the various countries, Mr. Robbins suggested that highly qualified men be selected as executive managers with responsibility for financial direction, execution of projects and policies developed in Washington, and maintenance of relations with, and continued support of, the American colony, the mission, and United States nationals. In regard to financing, two possibilities were suggested: either by contract with the Export Information Bureau of the 4 A's or by contracts with the local branches of the United States Chamber of Commerce.

A conference was held between CIAA representatives and men from the Department of State on August 1, 1941.<sup>13</sup> In this conference the Department accepted the basic idea and agreed to the proposal that CIAA pay salaries for executive secretaries for the proposed units which were to be composed of United States nationals in the several countries serving without pay. It was also decided that instructions would be sent to the various Embassies by the Department of State to establish the new field organization. Further discussions were held and by August 7, 1941, Assistant Coordinator Carl B. Spaeth was able to read to the CIAA Executive Committee a memorandum covering a complete plan for the functioning of the new units.<sup>14</sup>

Subsequently, the same ideas were incorporated into a formal agreement which was signed by Secretary of State Cordell Hull on August 16, 1941, and by the Coordinator on August 19, 1941. This agreement was as follows:

The Coordinator's Office has expressed the need of qualified representatives in the field to administer and supervise its various activities in the other American republics, with particular reference to the activities of local groups, and visiting persons, in those countries to which financial help is given by the Coordinator in carrying out the program of his Office. It is recognized that such supervision is highly desirable, to ensure the proper execution of agreements made with local organizations, to obtain the most effective expenditure of funds, and to make certain that persons and groups given financial help understand and follow policies agreed upon by the Coordinator and the Department of State.

The Department understands the urgent necessity for establishing a satisfactory administrative organization in the field, and welcomes the opportunity to make available to assist in this important work the auxiliary foreign service

now being set up in the other American republics. It wishes to do all in its power to facilitate the administration of the Coordinator's projects and activities in the field, and to develop, wherever necessary, improved methods of collaboration with the Coordinator's Office in Washington in accordance with the principal working arrangements already established to the satisfaction of both.

It is agreed, therefore, that the following policies and procedures will be followed by the Coordinator's Office and the Department in developing joint working agreements with reference to activities in the field.

1. It is recognized that final responsibility to the Congress for expenditure of funds appropriated to the Coordinator's Office is vested in the Coordinator and that this may not be delegated by the Coordinator. It is further recognized that it is the policy of the United States Government, as expressed in the President's Reorganization Plan No. 2, of 1939, to place upon the United States Foreign Service responsibility for the execution of all official business in foreign countries.

2. Subject to the foregoing, basic responsibility for the proper supervision in the field of all local groups aided by the Office of the Coordinator and for the facilitation and implementation of any other projects in the field is placed upon the chiefs of mission in the various American republics. This responsibility shall include: the making of any special arrangements or preparatory work by a representative of the Government; the supervision over the activities of local organizations or groups, financed by the Coordinator, to ensure their fulfillment of contracts and observation of proper policies; the making of such reports on projects as may be required by the Coordinator for the proper administration of the program; and other responsibilities that may be assigned specifically or that develop as inherent in the basic responsibility stated above.

3. In each mission some one person shall be specifically charged with the execution of the responsibilities mentioned above. Each such person shall be given sufficient time and opportunity to perform satisfactorily such duties. In those missions where the Department and the Coordinator agree that it is necessary, special assistants will be appointed for this purpose in the auxiliary foreign service. The Department not only welcomes nominations for such appointments, but urges that the Coordinator make special efforts to find and recommend to the Department properly qualified persons for these positions as soon as possible. All permanent personnel needs of the Coordinator's Office in the field will be met by appointments made in this way.

4. Special representatives of the Coordinator's Office, traveling to the other republics for special studies, investigations or other duties of a temporary nature, will be subject to the guidance of the chief of mission in each country in which they work. It is expected that whenever such representatives are sent to the other republics, the Department will be notified in advance so that proper steps may be taken to integrate them into the mission and to facilitate the performance of their official activities in each country.

5. Local organizations, such as cultural institutes, committees of American citizens, or other groups aided by the Coordinator or the Department for special work, will be utilized or established as fully independent agencies, not administratively connected with the United States Government. In each appropriate capital or other center, the Coordinator's

<sup>13</sup> Messrs. Rockefeller, Spaeth, and McClintock represented CIAA and Assistant Secretary Howland G. Shaw and Messrs. Duggan, Dreier, and Huddle represented the Department of State.

<sup>14</sup> Minutes of Executive Committee meeting, August 7, 1941.

Office and the Department will select an American citizen or citizens, not officials of the United States Government, who, under the guidance and supervision of the chief of mission, will assist in coordinating and supervising the activities of the American colony and advise on the use of the Coordinator's funds in his community. The functions of this person or persons shall pertain to those activities carried out by groups of American citizens in their private capacity, with or without the use of the Coordinator's funds. Such individuals, the local groups or their executive officers, will have no official connection with the mission, the Department or the Coordinator's Office. Specifically, it is agreed that the executive officers of such organizations should be paid out of funds transferred to the local organizations rather than receive their salaries directly from the Coordinator or the Department.

6. The Coordinator may, if he wishes, establish a liaison officer in the State Department to handle communications to and from the two agencies to expedite communications with the field and ensure prompt attention to all needs of the Coordinator's Office.

7. The Coordinator's Office and the Department will each send a representative, traveling together, to visit the missions in selected countries as soon as practicable in order to explain these policies to the missions and facilitate the prompt utilization or organization of the local groups.

The Coordinator informed President Roosevelt, on the same day that he signed the agreement with the Department of State, that the arrangement had been made, and noted that it was "hoped that the new field units would serve a vital function," for the following main reasons:

(1) They will consist of the leading members of the American community in each capital, and will bring into the Inter-American program of this Government local representation of able Americans long resident in the other American republics.

(2) The local groups to be established will, from the unofficial character of their organization, be in a position to carry out a variety of tasks in the other American republics which the United States Government officially could not do. Whether in the area of combating Axis propaganda, in the carrying out of commercial policies decided upon by this Government, or in the strengthening of the cultural ties between the republics of the Western Hemisphere, these groups will give local direction under the guidance of this Office and the Department of State.

(3) By enlisting the support of local American residents, a reservoir of latent ability will be tapped which should give effective representation to policies of this Government in the centers of the other American republics along lines which should nullify the subversive efforts of similar groups organized by the Germans and Italians in each country.<sup>15</sup>

Mr. John C. McClintock representing CIAA and Mr. John C. Dreier representing the Department of State left Washington on August 23 for Brazil and several other South American republics in order to carry out the establishment of the field units. The chiefs of the several United States

<sup>15</sup> August 18, 1941. The President replied on August 25 indicating that he was delighted that the Coordinator, together with Welles and Donovan had "worked out such a good program."

Embassies had already been informed of the agreement between CIAA and the Department of State to establish coordination committees.<sup>16</sup> The first field unit was established in Rio de Janeiro, Brazil, after a conference between Messrs. Dreier and McClintock and Ambassador Jefferson Caffery and leaders of the American colony; Mr. Berent Friele, who had recently been sent to Brazil as a special representative of the Coordinator charged with supervision of CIAA activities already started there, also took part.<sup>17</sup> Six men representing "the best possible cross-section of the American colony in Rio" accepted Ambassador Caffery's invitation to serve on an unpaid basis as the nucleus of a "coordination committee."<sup>18</sup> The President of the local branch of the United States Chamber of Commerce was appointed as Chairman; five members of the committee represented the following corporations operating in the country: General Electric, Standard Oil, Federal Express, Pan American Airways, and Maua Portland Cement Company, with the sixth man a lawyer. Mr. McClintock explained to these men the structure of CIAA, its accomplishments to date, and its urgent need for voluntary assistance in developing a strong program, particularly in the informational field, and suggested ways in which the new committee could be of aid not only to CIAA but also to the Embassies and the general war effort. Activities proposed (which were to be similarly presented to the other coordination committees subsequently formed) indicated the main objectives of the coordination committee system, as envisaged at this time, to be:

(1) To provide local guidance in adapting the CIAA program to local conditions in each of the other American republics.

(2) To provide a rapid check on the effectiveness of the CIAA program in each country.

(3) To execute CIAA programs which could not be handled efficiently by United States diplomatic representatives or which needed the assistance of the local communities both American and national for proper execution.

<sup>16</sup> This was not true in the case of Brazil, where the instructions from the Department of State were not received until the date after the arrival of Mr. McClintock and Mr. Dreier (McClintock to Rockefeller, September 1, 1941).

<sup>17</sup> Mr. Friele was to continue as direct representative of the Coordinator in Brazil, working in collaboration with the coordination committee and the Ambassador, and with the title of "Director of the Brazilian Division" of CIAA (John C. McClintock to Berent Friele, September 5, 1941). The Embassy informed the Department of State on September 3 that Mr. McClintock and Mr. Dreier had decided not to visit Sao Paulo but would leave to the Consul General and United States businessmen the organization of a similar committee there.

<sup>18</sup> This is the first time use of the term "coordination committee" appears in correspondence as a designation of the field unit.



Activities contemplated were in the economic as well as in the psychological warfare field.<sup>19</sup>

Mr. McClintock and Mr. Dreier went next to Buenos Aires where they found that Ambassador Armour had already organized the United States community along functional lines, there being a committee handling black list operations; another, sabotage; a third, public information; and a fourth, cultural relations.<sup>20</sup> An organization designed to promote better understanding between Argentina and the United States had already been established in July. This was named the *Asociación de Difusión Inter-Americana* and was subsequently approved as an organization by the Argentine government. During early months it had been entirely financed by donations from local American business firms, and it was now chosen as an instrument to carry out the field work of CIAA in Argentina. Six men were likewise selected to make up a central coordination committee for Buenos Aires, with these men representing, as in Brazil, United States firms operating in that country. Mr. McClintock while in Buenos Aires heard that the Washington office planned to send features and articles directly to Argentine newspapers, and telephoned Mr. Rockefeller that all material for newspapers should be handled through the coordination committee which in turn would approach the newspapers through its Argentine *Asociación de Difusión Interamericana*, emphasizing that all newspaper work to be handled locally in Argentina must go through this channel. The reason for this was that at the moment there was widespread public felling in the country against any foreign propaganda; he also referred again to the fact that direct mailing to Brazilian newspapers was impossible under Brazilian law and would cause difficulties if attempted.<sup>21</sup>

In Uruguay Ambassador William Dawson also had formed an advisory council of United States residents "to assist the Embassy in the event of participation on the part of the United States in an openly declared war." It was decided not to convert this "American Council" into a field unit, but instead to establish a small coordination committee which would draw upon the American Council for suggestions and advice in carrying out the program. As a result, only three men were named on the first Uruguayan committee.<sup>22</sup>

Arrangements were made for a close working relationship between this group and that in Buenos Aires, with the latter to service the Uruguayan committee in press and possibly radio and motion picture operations.

From the East Coast Mr. Dreier and Mr. McClintock went to Chile where they also found that Ambassador Claude Bowers and leaders of the local United States colony in Santiago had created a "cooperation committee" of a dozen members which functioned under the title of the American Society of Chile. In this case the coordination committee when formed was larger than in either Brazil or Argentina, mainly because it was deemed advisable to convert the "cooperation committee" without change into the local field unit.<sup>23</sup> As usual, the members of the committee were connected with such corporations as the Chilean Electric Company, the National City Bank of New York, the Chilean Telephone Company, Anglo-Chilean Nitrate Company, Braden Copper Company, American Smelting & Refining Company, and the Anaconda Copper Company. In regard to Bolivia, information gained from United States foreign officers indicated that it was best not to attempt to establish a coordination committee in that country due to lack of United States citizens resident there. For the time being arrangements were made for the coordination committees in Argentina, Chile, and Peru to supply materials to the Embassy in La Paz.<sup>24</sup>

The next country in which a coordination committee was established was Peru, and here, as in countries already visited, it was found that the United States Ambassador had already organized leaders of the American community to aid and advise him largely in the area of economic warfare. The committee set-up was composed of seven men and an executive secretary.<sup>25</sup> Mr. McClintock and Mr. Dreier next visited Ecuador and found that in Quito, as in Bolivia, the lack of local United States residents was a barrier to the establishment of a regular coordination committee. For the time being, therefore, administration of the CIAA program was left in the hands of the United States Legation staff.<sup>27</sup> In Colombia also groundwork al-

<sup>19</sup> John C. McClintock to Nelson A. Rockefeller, October 3, 1941. The unit officially was still to retain the name by which it had been known in the past.

<sup>20</sup> Coordination Committee was eventually created in March, 1942.

<sup>21</sup> John C. McClintock to Nelson A. Rockefeller, October 11, 1941.

<sup>22</sup> John C. McClintock to Nelson A. Rockefeller, October 22, 1941.

<sup>23</sup> John C. McClintock to Nelson A. Rockefeller, October 3, 1941. Eventually an Executive Secretary was appointed in Panama, with a single member "committee".

<sup>19</sup> John C. McClintock to Nelson A. Rockefeller, September 10, 1941.

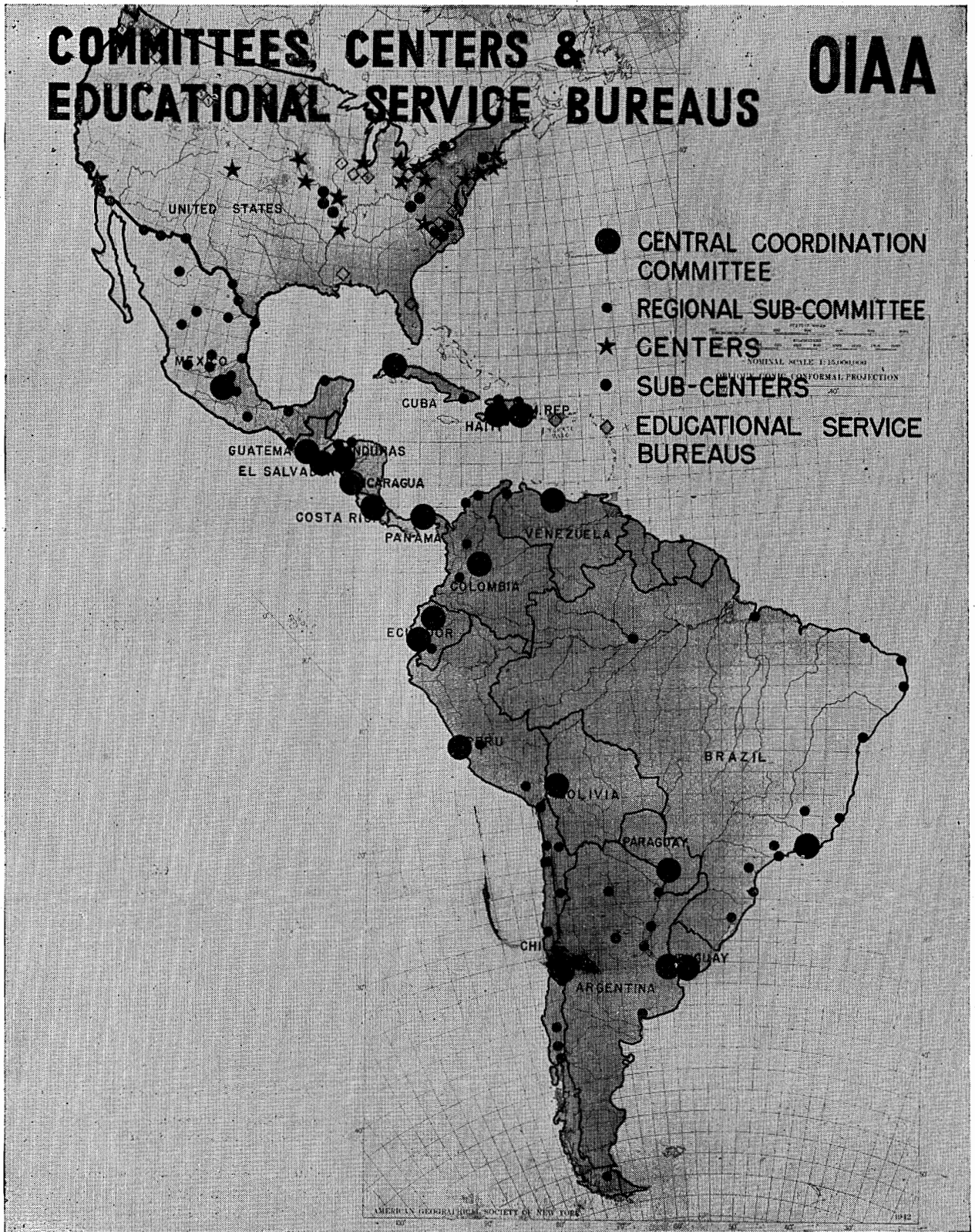
<sup>20</sup> John C. McClintock to Nelson A. Rockefeller, September 15, 1941.

<sup>21</sup> John C. McClintock to Nelson A. Rockefeller, September 22, 1941.

<sup>22</sup> John C. McClintock to Nelson A. Rockefeller, September 26, 1941.

# COMMITTEES, CENTERS & EDUCATIONAL SERVICE BUREAUS

# OIAA



ready had been laid in connection with the field unit by the United States Ambassador Spruille Braden, and no difficulty was found in establishing a committee of five members this time instead of the usual six or eight.<sup>28</sup> For the moment no Chairman was appointed for this committee, and for a time it was considered that the chairmanship should rotate regularly among members of the committee.

In order to complete the setting up of the field unit system as rapidly as possible in the larger Latin American countries, Mr. McClintock and Mr. Dreier flew direct to Mexico City, arriving there on October 28. Here as in Colombia groundwork had already been laid by the Embassy, and a group of twelve men were appointed to form the central committee.<sup>29</sup>

While the first steps in formation of the field organization were still in process, it became recognized that it was of equal importance to have a "Central Field Office" in Washington. The duties of this Division essentially would be the assimilation of information received from the field and its dissemination to interested divisions of CIAA.<sup>30</sup> This would consist of the information received from the contemplated "field coordinators" and also of reports received from the observers, information gained from the Propaganda Analysis unit, from the newspapers and the radio, information received from "listening posts" and material derived from State Department dispatches. It also was expected that this Division would serve to coordinate the field programs conceived by the various divisions of CIAA and serve as the medium for communications to and from the field. On September 17 Mr. Robbins informed Mr. Lockwood that the duties and responsibilities of what was called the "Operations Section of the Field Division" had been worked out and that all communications to and from the field should be routed through it. The Division was to maintain files on projects in each country, select data from reports to forward to interested divisions, and maintain a record of all projects undertaken in each country.<sup>31</sup> On September 17 the Coordinator informed the staff that a "Field Office" had been set up anticipating that the final outcome of

Messrs. McClintock and Dreier's trip for the purpose of setting up autonomous field units would be successful and that there would be two main sections: the Operations Section, which was particularly concerned with the handling of communications to and from the field units, and the Reports Section, charged with the gathering and dissemination of reports and information which came into it from the outside, particularly from the field.<sup>32</sup> While the staff of the Field Operations Section was apparently not large at the start, the duties envisaged by Mr. Robbins included a group who would undertake, in addition to handling communications to and from the coordination committees, studies carrying out economic and financial advisory work bearing on the various projects undertaken by CIAA. The other American republics were to be divided, for purposes of such studies, analyses, and advice into four operational areas: Temperate South America, Tropical South America, Mexico and Central America, and the West Indies.<sup>33</sup> This segregation of duties in the Division into regions (whence came the name "Regional Division," used during the rest of its existence) and a proposed great increase of functions to be performed in the field of acquisition and maintenance of records, together with their analyzing and reporting, was to be proposed as a part of the report of Mr. Mark Jones, discussed elsewhere.<sup>34</sup> It is enough to say here that there was an attempt in late 1941 and in the early months of 1942 to swing over the operations of the Office into a regional rather than a functional form of organization, but that this eventually failed. The Regional Division thereafter maintained six desks devoted to several sections of the Latin American area and likewise served as a medium for handling communications to and from the Office and for supplying spot information on countries, but did not engage in the extensive handling of information as had been proposed.

Formation of coordination committees in remaining republics was not carried out until the following year. On April 8, 1942, Mr. Rockefeller wrote to Mr. Welles that it appeared important to

<sup>28</sup> Mr. Robbins was head of the Operations Section and Mr. Robert Miller, formerly Editor of the *Hemisphere*, a periodical devoted to Latin American affairs which itself was subsequently purchased by the Coordinator, was made head of the Reports Section.

<sup>29</sup> Letter from Edward H. Robbins to Richard L. Boke proposing additional personnel for the Field Operations Section, October 29, 1941. The staff proposed included economic analysts, commodity specialists, persons informed in connection with the particular geographic areas concerned, and at least one finance specialist. In addition, at least twenty clerks and stenographers would be needed.

<sup>30</sup> See chapter 13.

<sup>31</sup> John C. McClintock to Nelson A. Rockefeller, October 22, 1941.  
<sup>32</sup> John C. McClintock to Nelson A. Rockefeller, November 3, 1941.  
<sup>33</sup> Edward H. Robbins to Nelson A. Rockefeller, July 14, 1941.  
<sup>34</sup> Edward H. Robbins to John E. Lockwood, September 17, 1941. The term "Field Division" was to be abandoned shortly afterward because it was felt that it would have a connotation distasteful to citizens of the other American republics.

him that the coordination committee system be extended to utilize the services of leading American residents in certain of the remaining American republics, and that if the Department approved CIAA would be "pleased to assist in the establishment of committees to Havana, Caracas, San José (Costa Rica), Managua, and Guatemala City," and other locations if the Department felt that the system should be even further extended. On April 27 the Coordinator conferred with Under Secretary of State Sumner Welles and they arrived at an agreement that it was desirable to set up coordination committees in important Central American and Caribbean countries without further delay. In May the Department of State appointed a representative, Mr. Arthur Compton, to accompany Mr. Robbins of CIAA on a field trip through the Caribbean countries. On this trip, which need not be discussed in detail, coordination committees were set up in Cuba, Haiti, the Dominican Republic, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Venezuela, and Ecuador. The original membership of these committees varied from two and three in Costa Rica and the Dominican Republic, respectively, to as many as eight in El Salvador and Haiti, with the average number being about five. In Ecuador, because of personality matters arising from rivalry between the capital city and the coast, separate committees operated for a time in both Quito and Guayaquil. A committee was eventually created in Paraguay on December 3, 1941, and one was established in Bolivia in March, 1942, by Mr. Charles Lee, Executive Secretary of the Peruvian Coordination Committee.

The first coordination committees were established in the capitals of the larger South American republics. Obviously in some countries it was desirable to extend operations to important centers outside the capital cities.<sup>35</sup> Discussions with the Department of State clarified problems concerned, and in December the Department instructed all diplomatic missions in the other American republics that it was agreed that regional subcommittees might well be established to carry on the work of CIAA, particularly in regard to the distribution of information in important centers where, in the opinion of the local chiefs of mission and the chairman of the coordination committee, this step seemed necessary and desirable. The Department felt that such regional committees should be estab-

<sup>35</sup> Memorandum to all diplomatic missions in the other American republics except Colombia, December 18, 1942.

lished in such cities where consular officers were located so that these might generally supervise the activities of the regional committees in the same manner that the central committee was directed by the diplomatic mission in the capitals. It was also agreed by CIAA and the Department of State that regional committees established should be made subordinate to the central coordination committees.<sup>36</sup> They were to receive funds through the central committees and would conduct business with the central committee, normally not maintaining any direct contact with Washington; if authorized, consular officers could approve small projects where desirable. Regional committees were established in almost all of the other American republics; in most countries only a few were needed, but Mexico had as many as 20, Brazil 13, and Argentina 7.

At the time the coordination committees were first set up it was not certain whether or not the system of observers in use previously would be maintained. In some cases difficulties had occurred in connection with these men because their position as employees of a private corporation (even though they were actually working for the Coordinator) was somewhat anomalous. In some cases there had been friction between the Embassy staff and the observers because of differences of opinion as to how programs should be carried out.<sup>37</sup> In some cases the local observer immediately became associated with the coordination committee when the latter was created, as in the case of Colombia and Peru where each became executive secretary. In the early part of 1942 it was decided to eliminate the system of observers and terminate the contract with the American Association of Advertising Agencies, and this was done as of March 3, 1942. Functions performed by the observers were transferred to the coordination committees.<sup>38</sup>

While the coordination committees were established with the idea of becoming a field organization for CIAA, it must always be remembered that technically at least they were autonomous units serving under the direction of the local Embassy. This idea was preserved in theory throughout their existence, as shown by correspondence and memo-

<sup>36</sup> For local reasons this was not effective in Ecuador where two separate committees were eventually established. The committee set up in Sao Paulo, Brazil, also was to intents and purposes independent.

<sup>37</sup> This was true in Chile and Cuba.

<sup>38</sup> Edward H. Robbins to Nelson A. Rockefeller, March 3, 1942. At this time the estimated cost of the services carried out by the observers was \$6,177 per month for eight countries.

randa which speak of the Regional Division as the "liaison unit" between CIAA and the committees, and by correspondence of the State Department which usually was careful to indicate clearly the position of the committees as local volunteer units.<sup>39</sup> Their employees, with the exception of a few individuals, were not classed as CIAA personnel; they were, of course, not under Civil Service regulations. During most of their existence, the committees were financed by grants-in-aid. In practice, however, the committees were in most cases to identify themselves fully with the program of the Coordinator.<sup>40</sup>

The members of the coordination committees served without pay, as volunteers. It was decided from the start, however, that a paid Executive Secretary was a necessity and men were selected when the committees were set up, with two of the observers utilized to fill these posts, as noted.<sup>41</sup> Other paid employees, to carry out the work of distribution of materials, were added locally as the need arose, until eventually such employees numbered several hundred. In Argentina and in Sao Paulo, Brazil, the Chairmen of the committees were also paid and devoted full time to this program.

Selection of coordination committee members offered some problems, not always immediately recognizable. In the first place, most of the men of the earlier committees were chosen by the chief of the local United States mission instead of by CIAA, and there was always a possibility that the reasons governing such a choice would not mean capability in attaining the objectives of the CIAA program. Men chosen were selected for their loyalty to the cause of the United States and because they were leaders in the local United States colony. Most of them were officials in larger corporations operating in each country. While these factors meant that they were desirable as members judged solely as United States citizens (and this was the essential consideration), it could also mean that some citizens of the other American republics might look on them as ardent United States nationalists and representatives of an

economic imperialism which had been traditionally feared.

When the coordination committees were first established in the fall of 1941, they were placed on a confidential basis with the exception of that in Colombia.<sup>42</sup> The reason for this lay mainly in a concern over possible adverse publicity which would characterize the committees as a "Fifth Column." Also in a few cases there was possibility that activities of members of the committee in the name of the United States Government might adversely affect their business relations, under existing laws and circumstances. The attitude adopted was that the committees could justifiably be considered as an informal group, called into existence by the chief of mission to advise and assist him. By April 1942, however, the policy in this respect was to change, and in a letter of April 3, Mr. McClintock noted to Mr. Duggan that for some time CIAA had been of the opinion that the various governments concerned should be officially informed of the existence of the coordination committees.<sup>43</sup> He pointed out that the activities of the committees were generally known by now, both to nationals and to United States citizens, and since all countries except Argentina and Chile had by this time broken off diplomatic relations with the Axis powers, there was no particular reason why the existence of the committees should not be made known to appropriate officials. He felt that this system would be more effective if the committees were operating openly with the full approval of the different governments . . . "particularly inasmuch as we have not asked and do not expect to ask these committees to do anything of which they would be ashamed or which would not be in the best interests of the individual republic concerned." In succeeding months some of the coordination committees were formally registered with the governments of the other American republics in which they functioned, and in additional cases such notice was given informally. In some countries, however, the coordination committees were never officially brought to the attention of the governments concerned although there is little doubt that local officials and nationals were aware of the activity of the committees.<sup>44</sup>

<sup>39</sup> A State Department despatch in September, 1943, specifically stated that the Department and CIAA regarded the committees as groups of private citizens and not as subdivisions of the United States government. They were expected to abide by all local laws and should receive no special treatment.

<sup>40</sup> One official of the agency noted that this was the first time in the history of the country so far as he knew in which members of the American communities abroad had been asked to aid the program of the nation and had been organized into a system by which this might be done.

<sup>41</sup> In Mexico, the Executive Secretary was a volunteer.

<sup>42</sup> Memorandum of John C. McClintock to staff, November 21, 1941. Ambassador Braden in Colombia had already informed President Eduardo Santos, who had approved the idea.

<sup>43</sup> John C. McClintock to Laurence Duggan, April 3, 1942.

<sup>44</sup> In Paraguay, for example, there were laws prohibiting organizations of this type, and although in 1944 CIAA requested the State Department to secure recognition when the time was propitious, such notification never was officially given.

The operations of the coordination committees at first were expected to be carried out in three major fields called economic, communications, and cultural relations (these being the major divisions of CIAA). In economic matters the committees from the start were expected to serve in an advisory capacity with their information being sought by the local Embassy when desired in connection with matters such as priorities and the black list. As it was to develop, the coordination committees were to do almost nothing in this field.<sup>45</sup> In the communications and the cultural fields, they were expected to execute projects as well as to advise the local missions, and as time passed more and more of their attention was directed to the former field with by 1944 some 95 percent of their efforts said to be concerned with the press, radio, and motion picture programs.<sup>46</sup> In the cultural field, however, at least one memorandum indicated that the committees had a great deal of interest, particularly in connection with education, and that they backed the cultural institutes in every way possible.<sup>47</sup>

Specific operations of the coordination committees in connection with the information programs need not be discussed here, for they served as the instrument for putting into effect in the other American republics the activities which are described in foregoing chapters covering the information media.<sup>48</sup>

In April 1942 the State Department sent a circular to American diplomatic officers in the other American republics (except Argentina) on the functions of the coordination committees. It was noted therein that there had been considerable difference in interpretation of the memorandum of agreement between CIAA and the Department of State of August 1941, on the part of the several missions. In this agreement the two agencies had agreed that there were certain activities which were not appropriate for the diplomatic representatives or consulates to engage in, these being largely concerned with the development of informational activities. The coordination com-

mittees, as a local group of United States citizens acting apart but under the direction of the diplomatic missions, were felt more suitable for operations relating to the press, motion pictures, and radio, which were concerned with the emergency war situation. On the other hand, long-term aspects of these media were still to be considered a function of the diplomatic missions. In the field of cultural relations the memorandum indicated that the Department had felt that the coordination committees could supplement the work of the cultural attaches by aiding in the execution of certain cultural projects, and by participating in certain activities.<sup>49</sup> The Department also felt that the coordination committees should serve as a useful and flexible vehicle for consultation with local American residents where the chief of the diplomatic mission desired such consultation. Recapitulating the earlier agreement, the Department called the attention of the committees to the fact that in certain fields they were to be utilized in administering and carrying out projects, and that in others they would only be called upon, on occasion, for advice. In regard to the economic field the memorandum made clear that the Department noted that it was expected that the committees would continue to act in a consultive rather than an executive capacity. In the sphere of politics, the Department reemphasized that political affairs were the responsibility of the missions, and that it would not be appropriate for the coordination committees to carry out any independent reporting or investigating of political subjects, although it was expected that the chiefs of missions would call on them if it were considered advisable.<sup>50</sup>

The point of view of the local Embassy in regard to the various projects and operations of the coordination committee was expressed by a liaison man, chosen by and representing the local chief of mission, who usually sat with the committee.<sup>51</sup> Further contacts could be maintained where the operations of the committees were handled by functional subcommittees; that is, the Subcommittee on Cultural Relations, where such a committee existed, would normally work with the local Cultural Attache.

A factor which was the object of some concern

<sup>45</sup> Memorandum of John Akin to Kenneth Holland, November 19, 1942.

<sup>46</sup> As noted in a recommendation made by John Akin, Chief of Regional Division, to the Information Department, March 22, 1944. He noted that the State Department had decided that coordination committees should not take part in the economic development program and that they would not continue into the postwar era. It should also be noted that the activities of CIAA in the cultural relations field were curtailed after the war had started.

<sup>47</sup> Heath Bowman to John Akin, November 18, 1942.

<sup>48</sup> A proposal discussed in following pages, in regard to increase in information centers, briefly describes the major functions which the committees were to perform.

<sup>49</sup> The distinction between long-range and short-range projects was generally not drawn in the field, according to a memorandum from John Akin to Kenneth Holland, November 19, 1942.

<sup>50</sup> Memorandum of April 22, 1942.

<sup>51</sup> In some countries the Ambassadors themselves attended meetings of the central committees.

to CIAA from the start was that of the method of communications between CIAA and the field units. The agreement between CIAA and the Department of State, and the concern of the latter that the chief of mission definitely direct the activities of the coordination committees, made it essential that all communications should pass through the Department of State. The two men who set up the coordination committees both pointed out the need for working out an effective system for the facilitation of communications.<sup>52</sup> The representative of the Department of State felt that it was essential to establish in the Department a unit headed by a responsible officer for the purpose of checking the Coordinator's communications from the viewpoint of policy, and that responsibility should be centered as much as possible in this one section. He felt also that certain simplifications in the form of communications would obviate their rewriting in the Department of State.<sup>53</sup> In succeeding months (and years) the matter of communications was the subject of intermittent exchange of correspondence, with CIAA usually requesting the Department of State to speed up the transmission of cables and other correspondence. A memorandum of November 1941 on communications with the field noted a number of the problems involved at that time. Cables from the Coordinator to coordination committees had to be routed through the Department where they were coded, and often had to be initialed by a prescribed officer, before they could be dispatched. A similar process was necessary for cables from the field, and the memorandum noted that the minimum delay in receipt both ways was from 2 to 3 days, and that in some it had been as long as 10 days.<sup>54</sup> Biweekly diplomatic air mail pouches were limited to five pounds in weight for each embassy or legation, with all official correspondence from Washington to the missions going in these pouches, and because of this limitation, some hold-over occasionally occurred in connection with official correspondence from CIAA to the field, which likewise was always sent in the diplomatic pouch. At this time it was also difficult to send boat shipments of publications, under the weight limitations imposed.

<sup>52</sup> In a letter of John C. McClintock to Nelson A. Rockefeller, October 3, 1941, he noted that he was "convinced that unless we work out with Washington a simple and effective system for servicing the committees rapidly, a great deal of the benefits from the establishment of the committees will be dissipated."

<sup>53</sup> *Ibid.*; also John Dreier to Laurence Duggan, October 2, 1941.

<sup>54</sup> Edward H. Robbins to Nelson A. Rockefeller, November 4, 1941.

The value of exchanging ideas and experiences between the various committees was recognized from the start. Since it was impossible in practice to do this by correspondence, where all communications would have to go via the Department of State diplomatic pouches, it was suggested that some kind of bulletin be prepared for circulation.<sup>55</sup> By the middle of October plans were being made for the preparation of a bimonthly bulletin on the activity of the Office and various coordination committees.<sup>56</sup> This eventually developed into the "Coordination Committee Activities" bulletin, circulated weekly.

Before inauguration of the first coordination committees was started, consideration had been given to their financing. When he started his trip in August 1941, Mr. McClintock was authorized by the Coordinator to approve grants-in-aid "to selected organizations" and to certify vouchers for the payment of same.<sup>57</sup> It was expected that the problem of financing the programs on a long-term basis could be met through a contract with the American Association of Advertising Agencies Export Information Bureau, Inc., or some other suitable organization, although it was realized that transmittal of funds might have to vary in different localities.<sup>58</sup> When the first coordination committee was set up in Brazil, the laws of that nation presented the greatest obstacle to be encountered in the handling of funds, for the Brazilian Decree Law of April 18, 1938, prohibited foreigners from carrying out political activities of any nature whatsoever in the country, and could be construed as making it unlawful to subsidize any public information program in Brazil which received finances from abroad. In view of this legal situation, the members of the Brazilian committee were anxious that whatever means be arrived at for transferring funds to their account be handled in such a way that they individually would not be in danger of being severely penalized.<sup>59</sup> The first device used in this case was to deposit money to one account of an exchange broker in New York, who then transferred it to another account from which the funds could be sent to Brazil for the use of the committee. The funds so transferred would not show on the books of the Brazilian Coordination Committee, but would appear as a private exchange transaction;

<sup>55</sup> John C. McClintock to Nelson A. Rockefeller, October 3, 1941.

<sup>56</sup> Edward H. Robbins to John C. McClintock, October 15, 1941.

<sup>57</sup> Nelson A. Rockefeller to John C. McClintock, August 21, 1941.

<sup>58</sup> John E. Lockwood to John C. McClintock, August 22, 1941.

<sup>59</sup> John C. McClintock to Nelson A. Rockefeller, September 10, 1941.

a confidential account, of course, would be kept in the Embassy vault.<sup>60</sup> In Argentina the matter of arranging for finances was much simpler than in Brazil, for money could be made available in the *Asociación de Difusión Interamericana* which was an Argentine organization operating legally in the Republic. Similar associations were available for use in Uruguay and Chile, and no great difficulty was found in other countries in meeting legal requirements in regard to financing.

Meanwhile, in Washington, arrangements were being made for the transmittal of the funds from the United States end. The first procedure arranged was through a project authorized September 11, 1941, by which authority was granted to enter into a contract with American Social Surveys, Inc., or some other suitable organization, for transmission of funds advanced by the Coordinator to local groups of United States citizens set up in the other American republics for the purpose of assisting in carrying out the programs of CIAA.<sup>61</sup> The estimated budget at this time for all the coordination committees for the fiscal year 1942 was set at \$150,500; the procedure was that which had been tentatively set before Mr. McClintock had left. On October 8, 1941, American Social Surveys, Inc., was authorized by the Coordinator to pay into a New York bank certain sums to be utilized by the committee in Brazil.<sup>62</sup> In succeeding weeks other budgets were submitted by the coordination committees set up in other countries, and it was necessary to increase the original estimate on funds needed for their operations.<sup>63</sup>

By the end of the year a new plan had been arranged. The contract with American Social Surveys, Inc., was terminated and another was entered into with the National City Bank of New York, which was to be utilized on a year-to-year basis until early 1944 for transmittal of funds, which were deposited with it by the Coordinator in the account of each particular coordination committee.<sup>64</sup> After this time, by arrangement with

<sup>60</sup> John C. McClintock to John E. Lockwood, September 10, 1941. This arrangement was said to have the approval of Ambassador Caffery and of lawyers in Rio de Janeiro.

<sup>61</sup> Project Authorization, September 11, 1941. The contract was signed with American Social Surveys, Inc., on October 1, 1941.

<sup>62</sup> John E. Lockwood to Dr. George Gallup, October 8, 1941. In another letter of October 1, Mr. Rockefeller requested Dr. Gallup to suspend the payment for the coordination committees for a time, but it was again authorized on October 24.

<sup>63</sup> Memorandum of Edward H. Robbins to Policy Committee, October 30, 1941.

<sup>64</sup> The next project was proposed on December 20, 1941, for this purpose, with the proposal that the new method of operation start on January 1, 1942.

the General Accounting Office, it was "possible to discontinue the contract with the National City Bank, and use instead, the facilities of the (United States) Treasury Department."<sup>65</sup> The early arrangement for Brazil was soon modified so that funds were paid into the New York account of an employee of CIAA, who in turn made payment to the local Coordination Committees.<sup>66</sup>

For operations of the remainder of the fiscal year 1942 the coordination committees in cooperation with representatives of the local United States Embassies worked out estimates to cover expenditures for equipping and maintenance of offices for a minimum staff, including executive secretaries, stenographers, translators, and similar personnel, and estimated needs for initiating the programs which CIAA wished to put into operation. These estimates were forwarded to the Coordinator through the diplomatic pouch, studied in the Washington Office, and when approved, funds were transmitted to the respective countries to meet these first needs. The idea of presenting a budget was to be regularly used from this time on. Prior to the transmission of funds to a coordination committee, a letter of agreement was signed by the committee Chairman and returned to CIAA. By this arrangement the Coordinator, through his control of funds, could maintain his responsibility as to the expenditure of such funds by use of express provisions as follows:

DEAR MR. (chairman of Committee): This will confirm the understanding between the Coordination Committee for . . . . . and this Office to the effect that I shall make such grants-in-aid to the Coordination Committee and at such times as may be agreed upon between the Committee and this Office for the purpose of organizing, maintaining, and operating an organization to assist in carrying out the broad objectives of the program of this Office in . . . . . , and for the purpose of carrying out projects there relating to inter-American affairs in accordance with such regulations and directions as may be agreed upon between the Committee and this Office.

It is further understood and agreed that the funds to be granted pursuant to the prior paragraph may be deposited to the credit of the Committee or to such other persons or organizations as may be agreed upon between this Office and the Committee.

It is understood and agreed that all funds to be granted are to be expended solely for the purposes above set forth, that the grants may be revoked in whole or in part at any time at my discretion, and that refund will be made to the Treasury of the United States of any amount so revoked, provided that

<sup>65</sup> Memorandum on Revised Coordination Committee Procedure, Nelson A. Rockefeller to Staff, May 31, 1944.

<sup>66</sup> The account utilized for a time was that of Mr. Frank Nattier, assistant to Mr. Berent Friele. The system was never entirely satisfactory, but proved to be a workable device under the necessity of Brazilian law.



a revocation shall not include any amount expended or obligated under any noncancellable commitment made previous to the effective date of the revocation, if such commitment is solely for the purposes above set forth.

It is further understood and agreed that the Committee will send to this Office a monthly accounting of the expenditures of the funds to be granted, and that on any expiration of these grants, any funds not expended for the purposes above set forth will be refunded to the Treasury of the United States.

Please have the Committee indicate its acceptance of this understanding by signing and returning to me the enclosed copies of this letter.<sup>67</sup>

Sincerely yours,

(Signed) NELSON A. ROCKEFELLER,  
*Coordinator of Inter-American Affairs.*

Accepted:

Coordination Committee for.....

By....., *Chairman.*

Though financial procedures varied somewhat with the different countries in which the coordination committees operated, certain factors were common to all, and various directives were sent out by the Coordinator indicating the form to be used in the presentation of budgets.<sup>68</sup> Such budgets were presented as projects to the Project Committee of CIAA and had to be approved by them. Until 1944, when so approved, a grant-in-aid was made by the Coordinator and funds deposited to the account of the committees with the New York City Bank; after this time the committees did not have to submit applications for grant-in-aid, nor did they have to submit signed vouchers.<sup>69</sup> As some of the committees increased in size and their operations became more specialized, separate budgets were submitted detailing the needs for development in each of the several informational fields, as, for example, press.<sup>70</sup> In carrying out its operations, all expenditures of the coordination committee, regardless of their nature, were decided upon in a general session of its membership. All projects proposed by the committee were submitted to the local United States mission for approval before any expenditures were made. For each committee the Coordinator's Office at the

<sup>67</sup> From a copy of a letter of agreement sent to Guatemala June 1, 1942.

<sup>68</sup> For example, on June 24, 1943 and August 12, 1943, these budgets were set up on a yearly basis, with quarterly adjustments made to allow accurate planning for the use of funds allowed.

<sup>69</sup> The Audit Section of the Budget and Finance Division of CIAA was to prepare the necessary vouchers and process them for payment by the Treasury (Memorandum on Revised Coordination Committee Budget Procedure, May 31, 1944).

<sup>70</sup> For example, the Chilean committee submitted a separate budget for press activities as early as June 3, 1942; the estimates were approved in project form and funds to meet them authorized by the Project Committee on June 18.

start established a small revolving fund<sup>71</sup> for the execution of projects which required clearance only through the local committee and diplomatic mission. The ceiling for such individual projects ranged from \$500 to \$1,500 according to the size of the country and activities contemplated. All proposed projects which required expenditures in excess of the ceiling of the revolving fund, after approval by the committee and the local diplomatic representative, were submitted to the Coordinator and if approved by him, were also cleared through the Department of State before grants of money were made. In addition to expenditures contemplated in the normal yearly budget presented by the coordination committees, additional grants could be made at any time for program special projects financed from funds of the Press, Radio, Motion Picture, or other Divisions of CIAA for particular activities.

In the spring of 1942 the Coordinator submitted to the State Department a project providing for the establishment of special centers in the field to distribute motion picture films and radio transcriptions. The State Department after consideration recommended that such distribution be handled as part of the production and distribution of all informational material, and that the coordination committees offered a medium for the amount of local supervision over such distribution necessary to adapt it to local conditions, customs, and attitudes of mind. In view of this, it was proposed that a study be made of the possibility of establishing a series of information centers as part of an expanded and revised coordination committee organization in the more important cities of the other American republics. These centers would operate under the coordination committees and the missions and would make provision for "adequate handling of needs of our informational program with respect to motion pictures, radio, press and publications, and other media insofar as they are not already cared for."<sup>72</sup> Under Secretary Welles suggested that organization of these centers and determination of their functions should be worked out carefully by representatives of CIAA and the Department. He recognized that probably the pattern of organization would vary from one country to another, and also that careful consider-

<sup>71</sup> By order of June 24, 1943, this fund was called the Small Project Fund. This fund was not available to the several divisions of CIAA for their operations and they were expected to allow sufficient funds for initiatory work and for contingencies in the general coordination committee budget.

<sup>72</sup> Sumner Welles to Nelson A. Rockefeller, May 5, 1942.

ation must be given to the relationship of information centers to cultural institutes already established so that there would be no duplication. Pending the results of such a study, the Department authorized the Coordinator to go ahead with the establishment of proposed distribution centers for 16-mm. nontheatrical motion picture films with the idea that such centers would be incorporated in the larger information centers when established.<sup>73</sup>

The Coordinator replied to Mr. Welles indicating that he was in complete agreement with the proposal for establishment of centers which would provide the missions and the coordination committees with appropriate trained personnel and facilities for the increased distribution of motion picture films, radio and press material.<sup>74</sup> He stated that steps would be taken immediately to develop a plan as suggested. Ideas developed within the agency in regard to an augmented field information service were presented to the Coordinator on July 4, 1942.<sup>75</sup> It was suggested that the methods of distributing information locally be organized to operate under the coordination committees, with directives from CIAA via the Department of State. This method would facilitate work which could not be handled by the missions nor by CIAA from New York. It was recognized that conditions were bound to vary in each center or country due to the desires of the chief of mission and the personalities involved among the members of the committee itself. It was noted that the Press, Radio, and Motion Picture Divisions and other sections of CIAA were training men to go to Latin America, and a number of centers were suggested.

After further study, and discussion with representatives of the Department of State, the Coordinator presented his plan formally to Under Secretary of State Welles on July 14, 1942. In brief, this embodied a proposal to add appropriate personnel to the staffs of the coordination committees, on a regional basis, to handle the dissemination of information by all media and to gather information regarding the effectiveness of the programs carried out.<sup>76</sup> As a start, establishment of 10 centers was proposed:

1. In Buenos Aires to serve Argentina and Paraguay;
2. In Santiago to serve Chile;
3. In Montevideo to serve Uruguay;
4. In Rio de Janeiro to serve Brazil;

<sup>73</sup> Laurence Duggan to John C. McClintock, May 18, 1942.

<sup>74</sup> Nelson A. Rockefeller to Sumner Welles, May 13, 1942.

<sup>75</sup> Wallace K. Harrison to Nelson A. Rockefeller.

<sup>76</sup> Nelson A. Rockefeller to Sumner Welles, July 14, 1942.

5. In Lima to serve Peru and Bolivia;
6. In Mexico City to serve Mexico;
7. In Bogota to serve Colombia and Ecuador;
8. In Caracas to serve Venezuela (possibly this Committee might be served from Bogota);
9. In Havana to serve Cuba, Haiti, and the Dominican Republic;
10. In San Jose or Guatemala City to serve Costa Rica, Guatemala, El Salvador, Honduras, Nicaragua, and Panama.

The functions of the proposed augmented coordination committee staffs for press would be to further adequate press coverage for the United States; to prepare news releases, feature articles, and other material for local publications; to review special press material from CIAA and adapt it for local use; to arrange for the printing of pamphlets, posters, and other printed matter approved by CIAA and the missions, and to advise CIAA in relation to the distribution of periodical publications such as *En Guardia*. They would also serve to further an increased flow to the United States of news about the other American republics. In relation to radio, the functions of the coordination committee staffs would be to arrange for local broadcasts by the coordination committees, missions, or other appropriate local groups; to arrange for local re-broadcasts of point-to-point and short-wave radio programs originating in the United States; to stimulate local broadcasts of news and news commentary programs; to effect the local distribution of transcribed radio material; to encourage the transmission of suitable radio programs to the United States for re-broadcast; and to arrange for advertising of United States short-wave radio broadcasts and those locally sponsored by the coordination committees. In the motion picture field they were to concern themselves primarily with the non-theatrical program, with functions as follows: to distribute non-theatrical motion pictures released by the State Department and CIAA; to cooperate with the missions and other local organizations in the showing of motion pictures before appropriate groups, and to make and receive reports on all such showings, including size and type of audience and reactions to pictures shown; to obtain additional projection equipment, to plan for its use, and to maintain it, providing operators when needed; and to encourage the sending of non-theatrical motion pictures made in the other American republics to the United States for showing in this country. It also was expected that one important function of the expanded coordination committee staffs would be to make available to CIAA informed and considered infor-

mation and comment upon the effectiveness of the various parts of its program, also upon local sentiment in regard to the United States and the war effort. The Coordinator proposed that Mr. Wallace K. Harrison, accompanied by Mr. Harry Frantz, Associate Director of the Press Division of the Office, and a secretary make a trip to Argentina, Chile, Uruguay, Brazil, and possibly Peru to work out with the coordination committees and the missions the establishment of the proposed set-up.<sup>77</sup>

The plan proposed by the Coordinator was approved in general by Under Secretary Welles on August 8, 1942, but certain limiting comments were made. In the first place, although he considered it highly desirable to have an overall scheme, he felt that it was of utmost importance to remember that expansion of the information organization should only be in accordance with actual needs in each country—in short, that no personnel increases should be effected unless the current output of information was inadequate. He felt likewise that in selecting additional personnel the missions and the coordination committees should participate in this selection, as well as the Department and CIAA.

The success of the first information center, in Brazil, was reported to the Department of State by the Coordinator in May 1943.<sup>78</sup> In view of this success, the Coordinator now proposed the establishment of similar units in Chile, Cuba, Peru, Colombia, Uruguay or Argentina, and Mexico, with no change in method of procedure as it had been established between the Department of State and CIAA. Mr. Welles replied to this communication shortly afterward, reemphasizing his statement of the previous August that the subject should be approached with careful regard for the actual need of additional information services in each country and noting that deficiencies in organization could readily be overcome but that too extensive activities could do lasting harm. He felt that during the past year the situation had undergone some change as a result of the trend of war events and due to the effective work of CIAA and the coordination committees.<sup>79</sup> He felt that at the time the committees were doing satisfactory work and that their staffs were adequate to meet needs, although he admitted that it was possible

that a few additional specialists in press, radio, or motion pictures were needed in certain cases. His desire in general, however, was that the United States Government personnel abroad be reduced rather than expanded from that time forward and that efforts should be concentrated upon perfecting present organizations and systems of organization, rather than in expanding them.

A further example of Under Secretary Welles' opposition to wholesale enlargement of the informational staffs was given shortly afterward when he vetoed a proposal for staff increase in the case of Colombia.<sup>80</sup>

The use of special representatives in radio, press, and motion pictures to work with the coordination committees in carrying out the program caused certain problems to arise which made their success a matter of opinion. These men were employees of their several divisions in Washington. At the same time, in the country to which they were sent they were working with a coordination committee which at least in theory was autonomous, and which actually was the agency which supplied the funds and directed the local program. For these reasons, the special representatives were in the difficult position of receiving certain directives from Washington which might or might not fit into the program as the coordination committee saw it, and no matter how able the particular representative might be, maximum efficiency was difficult to attain under such divided authority. In most cases also the representatives were sent from the United States and were not as well acquainted with local conditions as the members of the coordination committee. The local Embassy entered into the picture as still a third element whose approval must be gained for all projects carried out locally.<sup>81</sup>

The general pattern of the coordination committees system, as worked out by 1944, included a permanent volunteer central coordination committee from five to a dozen members, in each of the other American republics. In addition to this central committee, located normally in the capital city, there were usually regional subcommittees set up in other large urban centers. Under the central committee, in most countries, several functional subcommittees were established, with

<sup>77</sup> Nelson A. Rockefeller to Sumner Welles, July 14, 1942.

<sup>78</sup> Nelson A. Rockefeller to Sumner Welles, May 18, 1943. The proposed trip by Mr. Harrison and Mr. Frantz was not carried out; they went as far as Mexico.

<sup>79</sup> Sumner Welles to Nelson A. Rockefeller, June 10, 1943.

<sup>80</sup> Sumner Welles to Nelson A. Rockefeller, August 10, 1943.

<sup>81</sup> The above indication that the system was somewhat faulty was supplied to the writer in an interview by Mr. John Akin, Chief of the Regional Division, on May 8, 1946.

the most common plan including one for press, one for radio, and one for motion pictures.<sup>82</sup> Both Guatemala and El Salvador had Sports Subcommittees, while several countries had Cultural Subcommittees and at least one had one to deal with rumors. All committees had an Executive Secretary, with under him a staff divided into several sections for carrying out operations under the guidance of the central committee and the subcommittees. The Coordinator at this time also had

<sup>82</sup> In Chile the functional subcommittees set up were: Press, Radio, Motion Pictures, and 16 mm. Film, Administration; in Peru: Press, Radio, Motion Pictures, Science and Education, Executive, and General Liaison.

special field representatives for radio in 11 countries, for press in 5, and for motion pictures in 1. The representatives cooperated with the coordination committees in carrying out the program in these fields.<sup>83</sup> The number of paid employees under the coordination committees at this time amounted to 687, ranging from 2 in Panama (the only country to have no real coordination committee, but where an Executive Secretary was maintained for dissemination of information) to 107 in Brazil.

<sup>83</sup> Some of these representatives had responsibilities for more than one country. In Mexico the one representative assigned was classed as an Information Assistant.

## BUDGET AND FINANCE

A complete and detailed study of the financial history of CIAA cannot be made at this time, for while it was officially terminated effective May 20, 1946, several of its programs will continue to operate as far as the 1949 fiscal year on corporate funds largely already committed under agreements with other American republics. Some portion of these corporate funds may eventually revert to the Treasury, although estimates at this time indicate that all funds available for continuing programs, as distinguished from liquidating programs, will be required. Legislation affecting pay scales is an important factor. It is possible, however, to list the amounts requested by CIAA for its program throughout its existence and also the sums granted it by Congress and received from other sources until the date of its termination as a separate entity. It is also possible to evaluate, in general terms and subject to final revision, expenditures on the major activities of the CIAA program during the war years.

The sums actually provided to the Coordinator by the Congress of the United States and by the President from his Emergency Fund for national defense are a matter of record. Likewise, the amounts requested for operations of the agency are shown in budget estimates and in the records of hearings before Congressional appropriations subcommittees. Actual expenditures by the Office could not, of course, exceed the sums authorized for its possible use; however, some savings of such authorizations usually were made.

Budget and finance and other administrative operations in the first years of the existence of the Office were not handled directly by it but were performed by the Division of Central Administrative Services of the Office for Emergency Management, which provided budget, fiscal, personnel, investigational, office supply, and printing services to constituent agencies of the Office for Emergency

Management. In 1942 it was decided to decentralize to the larger constituent agencies the handling of such matters, excepting such items as the central OEM telephone switchboard, for example. Effective July 1, 1942, responsibility for maintaining practically all accounts for funds appropriated or otherwise made available to the Coordinator's Office, and the audit and administrative approval and certification of most of the expenditures made from such funds, were transferred from OEM-CAS to CIAA. Also preparation of budget estimates, written justification for the same, transfers of funds and all related matters, became the responsibility of the new fiscal office of the agency, which worked directly with the Bureau of the Budget.<sup>1</sup>

Funds for the operation of CIAA and its corporations were derived mainly from two sources. The first of these was allocation from the Emergency Fund granted for use of the President of the United States; the first monies made available to the Office were from this source. The second was direct appropriation by Congress, and the major amounts provided to the agency, after the first year or two, were obtained in this manner.<sup>2</sup> In addition to these two sources, appropriation transfers to CIAA were occasionally made by other agencies such as the State Department, but amounts obtained in this manner were very small as compared to appropriations made by Congress and allocations from the Emergency Fund for the President, and were practically counterbalanced by transfers of funds from CIAA. It should also be remembered that in carrying out the operations

<sup>1</sup> Nelson A. Rockefeller to the Executive Staff, June 17, 1942. Four sections were established in the Fiscal Division: a Project Performance Control Section, an Audit Section, an Accounts Section, and a Budget Section. Fiscal operations which had been carried on by officers of the agency were transferred to the new division.

<sup>2</sup> For the fiscal year 1942 Congress included the CIAA appropriations in the over-all OEM appropriation. Likewise, CIAA funds for fiscal year 1943 were appropriated to OEM, but the 1943 appropriation act specified the amounts for CIAA, while administrative allocations from the total available to OEM were made to CIAA in 1942.

of the agency in the other American republics many of the programs were cooperative in their nature, with the local government contributing a substantial share of the cost. Amounts set forth in agreements or other contributions for which dollar value information is obtainable total \$30,000,000.<sup>3</sup>

Some of the Coordinator's programs required, for facility or even possibility of operation outside the continental United States, a modus operandi broader than that of a conventional Government agency, and this was provided by corporations created under the laws of the State of Delaware. Authority to cause to be created corporations to carry out programs of the Coordinator was contained in appropriation acts passed by the Congress.<sup>4</sup> Funds to carry out the programs assigned to the corporations were provided by the CIAA from its appropriation, contract authorizations, and allocations from the Emergency Fund for the President. Mainly, this took the form of grants-in-aid to the corporations but in two cases a purchase of capital stock was involved. The corporate form of organization facilitated the handling of fund contributions to the programs made by the governments of the other American republics as referred to above, particularly in those cases where such contributions were actually taken into and disbursed by the corporation.

For one of the same reasons that corporate operation was adopted for certain programs—i.e. that the programs involved commitments under which the payments would extend over several fiscal years—the Bureau of the Budget used, in part, the device of contract authorizations for financing the work. A contract authorization is an authorization by the Congress to make commitments, but does not immediately include authorization to draw checks on the United States Treasury. Cash appropriations are made subsequently, at the times and in the amounts required, for actual payments to be made under the commitments, such cash appropriations usually covering one year's requirements. Obviously, a contract authorization and the applicable cash appropriation cannot properly be added together.

An exaggerated idea of the expenditures of CIAA and its corporations (and of any government organization to which contract authoriza-

tions are provided) has been derived by persons either uninformed or desirous of exaggerating expenditures, by adding together a contract authorization and an appropriation applicable to it. Further exaggerations have been made by compounding duplications of a single amount, such as listing and adding together: (1) A budget request for contract authorizations; (2) the contract authorization; (3) the appropriation applicable to it; (4) the transfer of the appropriation by grant-in-aid to a corporation; and (5) the actual expenditure by the corporation. While an auditor could certify that the figures listed are to be found in the sources listed, no certification concerning the total could be made, since the same amount is included therein several times. By such a method of tabulation any sum can easily be exaggerated to six or eight billions of dollars, or even much further.

With the exception of initial allocations to enable the Office to start operations, funds provided from the Emergency Fund for the President were for specific purposes, e.g. the health and sanitation program, the newsprint shipping subsidy, and the Railway Mission to Mexico. All other funds available to the Office, with the exception of minor transfers, were obtained through the regular procedure of approval of estimates by the Bureau of the Budget, transmission of these to the Congress by the President, testimony by the Office's representatives before Congressional committees on appropriations,<sup>5</sup> and finally the passage of an appropriation act by the Congress after settlement in conference of differences, if any, in the House and Senate approved versions. In the early years of the program, supplemental estimates for additional funds, as well as powers, were sometimes necessary between the regular annual submission, while in 1945 and 1946 appropriations already enacted for those years were subsequently reduced by the Congress through rescission legislation after review of requirements in relation to the cessation of armed warfare.

Financial backing for CIAA when it was first established (as OCCCRBAR in August 1940) was necessary even though the intention then was to work largely through existing Government agencies. In a memorandum of the same date upon which the Office was founded, addressed to President Roosevelt by Mr. Forrestal, the latter noted that:

<sup>3</sup> The actual amount contributed is higher, but only the figure for which detailed support can be furnished is given above.

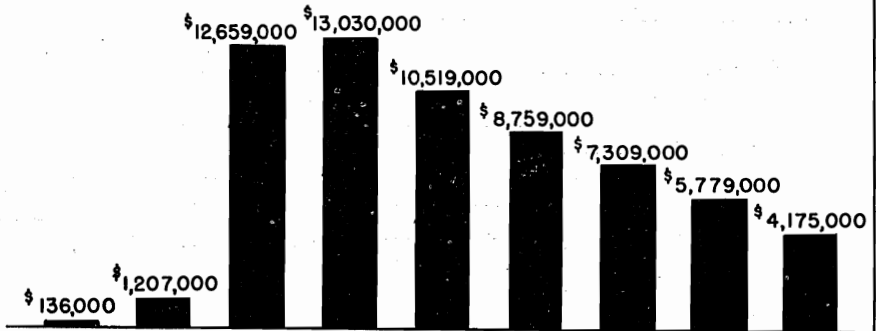
<sup>4</sup> See Chapter 19 for further information on these subsidiary Corporations.

<sup>5</sup> The printed volumes covering these hearing for the several fiscal years are a source of much information concerning agency fiscal operations and plans.

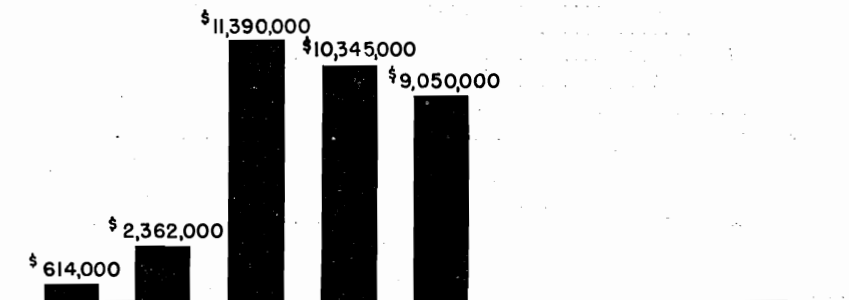
# CIAA ACTIVITIES

## Obligations & Commitments

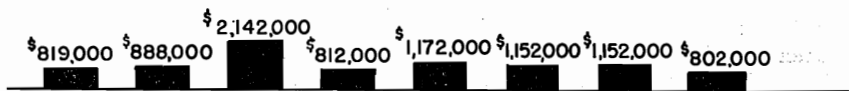
### BASIC ECONOMY



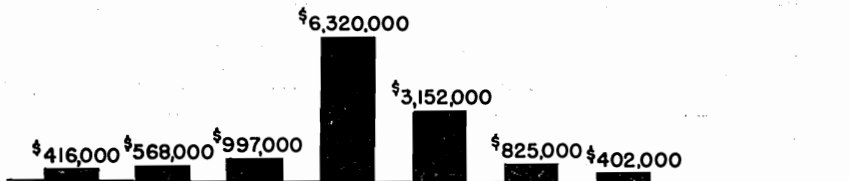
### INFORMATION



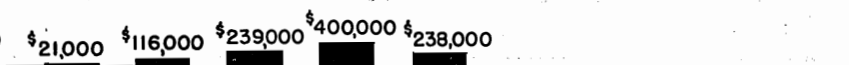
### EDUCATION



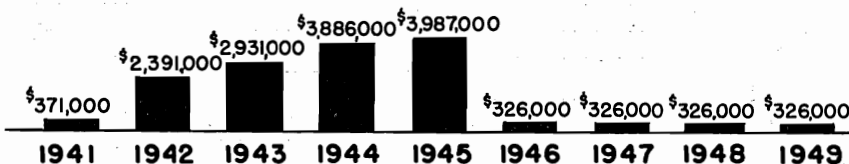
### ECON. DEV. & TRANSP'T'N



### U.S. ACTIVITIES



### ADMIN. & PERSONNEL



Office of Inter-American Affairs

Summary of Expenditures, Foreign and United States, Fiscal Years 1941, 1942, 1943, 1944, and 1945 (3-31-45)

Category	1941-44 Inclusive	1945 (to 3-31-45)	Total
<i>Foreign expenditures</i>			
Loans.....	\$ 195,232.22	\$ 17,621.00	\$ 212,853.22
Grants.....	31,985.00	— 320.00	31,665.00
Current expenses:			
Direct disbursements.....	6,555,178.66	2,779,809.15	9,334,987.81
Disbursed through controlled affiliated agencies:			
Health and sanitation.....	14,950,758.30	6,163,300.94	21,114,059.24
Food supply.....	2,603,965.16	494,896.09	3,098,861.25
Education.....	45,163.89	31,371.24	76,535.13
Coordination committees.....	5,628,152.84	2,187,078.35	7,815,231.19
Total through controlled or affiliated agencies.....	23,228,040.19	8,876,646.62	32,104,686.81
Total Current Expenses.....	29,783,218.85	11,656,455.77	41,439,674.62
Other aid or expenditures:			
Health and sanitation.....	439,359.32	234,722.75	674,082.01
Food supply.....	356,075.08	129,152.13	485,227.21
Emergency operations.....	1,635,947.32	60,356.05	1,696,303.37
Transportation.....	1,714,080.69	638,009.55	2,352,090.24
Education.....	20,980.44	43,850.20	64,830.64
Newsprint shipping subsidy.....	630,643.40	52,426.94	683,070.34
Total other aid or expenditures.....	4,797,086.25	1,158,517.62	5,955,603.87
Total foreign expenditures.....	34,807,522.32	12,832,274.39	47,639,796.71
<i>Expenditures in United States</i>			
Grants.....	3,147,790.72	1,619,538.67	4,767,329.39
Current expenses: Direct disbursements.....	26,885,305.74	7,998,306.70	34,883,612.44
Other aid or expenditures:			
Transportation.....	300,000.00	.....	300,000.00
Newsprint shipping subsidy.....	1,540,808.89	126,900.92	1,667,709.81
Total other aid or expenditures.....	1,840,808.89	126,900.92	1,967,709.81
Total expenditures in United States.....	31,873,905.35	9,744,746.29	41,618,651.64
Grand total expenditures.....	66,681,427.67	22,577,020.68	89,258,448.35

Summary of All Grants (To March 31, 1945)<sup>1</sup>

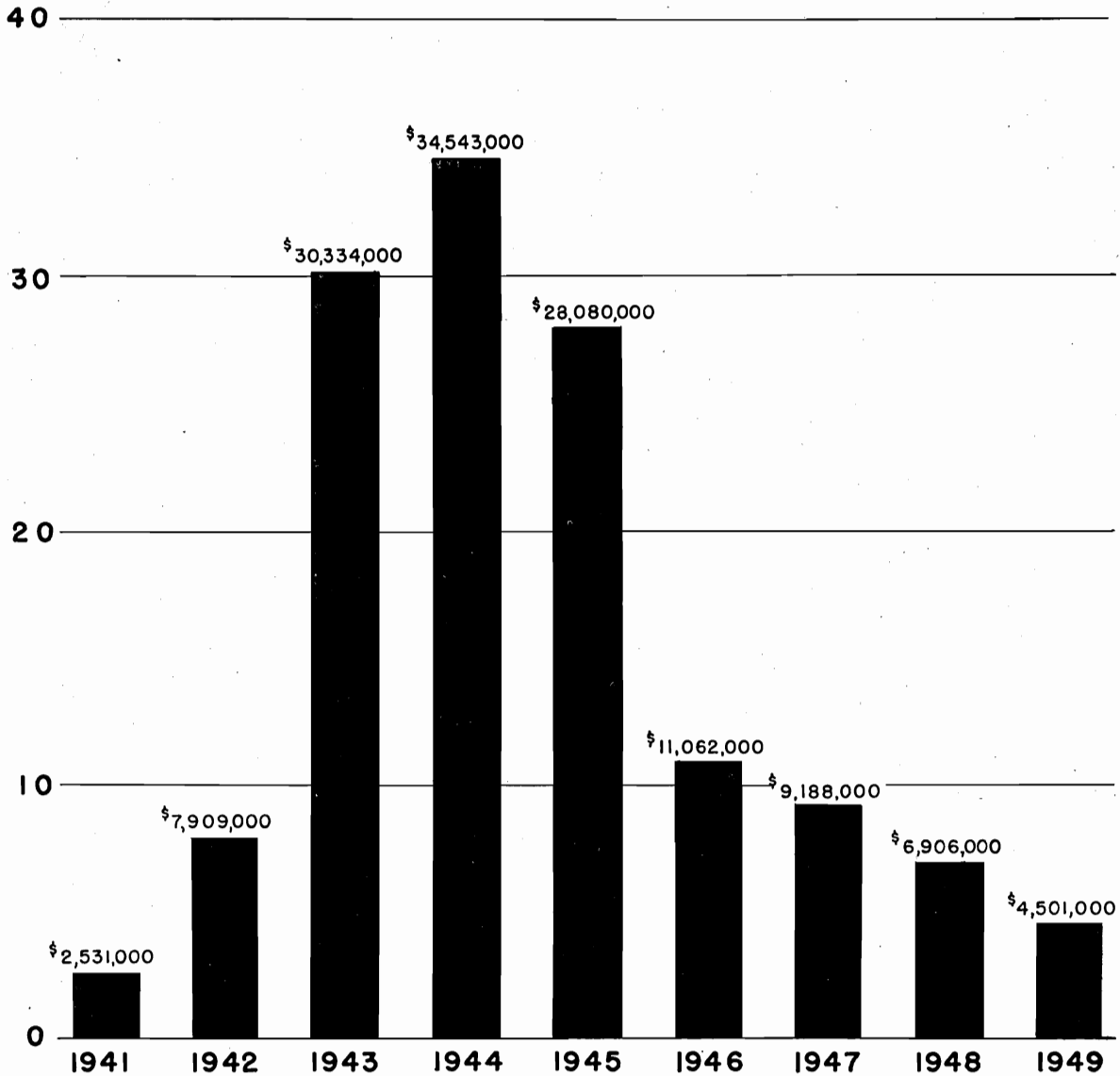
Grantee	Through 1943	1944	1945	Total
<i>Country:</i>				
Ecuador.....	\$ 6,000.00	.....	.....	\$ 6,000.00
Brazil.....	1,350.00	.....	.....	1,350.00
Nicaragua.....	7,500.00	.....	.....	7,500.00
Ecuador.....	.....	\$ 10,135.00	\$ — 320.00	9,815.00
Guatemala.....	7,000.00	.....	.....	7,000.00
Total foreign.....	21,850.00	10,135.00	— 320.00	31,665.00
United States.....	1,786,439.75	1,361,350.97	1,619,538.67	4,767,329.39
Total.....	1,808,289.75	1,371,485.97	1,619,218.67	4,798,994.39

<sup>1</sup> This represents the greater part of all grants-in-aid made since few were made after this date.



# CIAA EXPENDITURES TOTAL - Obligations & Commitments

MILLIONS OF DOLLARS



CIAA Graphic Reports  
August, 1944

Office of Inter-American Affairs

Summary of Funds Made Available Fiscal Years 1941-1946

(Contract authorizations included in year in which cash appropriation made therefor)

Fiscal year ending June 30	Direct Appropriations		Transfers		Total available funds	Available funds unused
	Budget estimate of appropriation	Appropriation	From emergency fund for the President	Others (to or from OIAA, net)		
1941.....			\$ 2,375,000		\$ 2,375,000	\$ 360,000
1942.....		<sup>1</sup> 10,819,820	6,550,000	\$ - 40,000	17,329,820	2,840,000
1943.....	\$ 34,138,000	<sup>2</sup> 33,638,000	28,050,000	- 33,500	61,654,500	4,650,000
1944.....	33,860,000	30,735,000		+ 79,140	30,814,140	1,000,000
1945.....	19,174,000	18,000,000		+ 73,200	18,073,200	<sup>3</sup> 800,000
1946.....	15,880,000	<sup>4</sup> 13,000,000		+ 2,750	13,002,750	<sup>5</sup> 1,500,000
Future year cash appropriations required against:						
(a) 1944-5 Contract authorization...	10,456,710	<sup>6</sup> 10,456,710			10,456,710	
(b) 1945 Contract authorization.....	2,198,577	<sup>7</sup> 2,198,577			2,198,577	
1946 rescissions of corporation funds, impossible to identify by fiscal year (included in available funds, above, for the several fiscal years).....						1,637,390
Totals.....		118,848,107	36,975,000	+ 81,590	155,904,697	<sup>8</sup> 12,787,390

<sup>1</sup> Through the Office for Emergency Management.

<sup>2</sup> Through the Office for Emergency Management; however, the 1943 appropriation act specified the amount for each constituent agency of OEM.

<sup>3</sup> Includes \$307,000 rescinded by Public Law No. 127, 79th Congress.

<sup>4</sup> Includes \$7,431,414 transferred to Department of State as of Aug. 31, 1945, to carry on the Information functions (Press, Radio, Motion Pictures, etc.) which were transferred to the Department of State on that date.

<sup>5</sup> \$1,500,000 was rescinded by Public Law No. 301, 79th Congress. This applies against the \$7,431,414 (see footnote <sup>4</sup>) for Information functions.

<sup>6</sup> Estimated 1947 cash requirements are \$3,456,710, leaving \$7,000,000 to be appropriated in 1948.

<sup>7</sup> Estimated 1947 cash requirements are \$1,083,577, leaving \$1,115,000 to be appropriated in 1948.

<sup>8</sup> Represents the minimum of available funds which will be unused. The available funds for all the years shown except 1941 were used, in part, to make grants-in-aid to corporations created for the purpose of carrying out certain programs of the OIAA. The unexpended and unrescinded balances of funds in these corporations are still available and the amount unused, if any, will not be known until their programs are completed.

"In order to get started at once on the Latin American Cultural and Commercial program, may we have your o.k. on an allocation of 3½ million to the Council of National Defense? I will then clear with the Director of the Budget and Jim Rowe and follow the course of having a letter prepared for your signature making such allocation."<sup>6</sup>

This was endorsed by the President "O.K. in principle." Five days later Mr. Rockefeller formally notified Mr. Harold D. Smith, Director of the Bureau of the Budget, of the creation of the new agency and informed him that a budget for the first year's operations amounting to the sum of \$3,500,000 had been prepared. He recommended that this sum be allocated to the Council of National Defense for use of the Office for Coordination of Commercial and Cultural Relations between the American Republics during the next 12 months, with expenditures to be controlled by the Coordinator, and further suggested that an equivalent amount be earmarked for the program during the second year.<sup>7</sup>

The sum of \$3,425,000 was allocated to the use of the agency for the 1941 fiscal year from the Emergency Fund for the President.<sup>8</sup> Of this, \$375,000 was for general administrative expenses; the balance of \$3,050,000, consisting of \$2,000,000 in cash and \$1,050,000 in contract authorization, was to be utilized for projects of the Office. Not all of the total of \$3,425,000 made available was actually used; the total obligations for the fiscal year 1941 were \$2,531,100. In 1942, allocation from the Emergency Fund of the President for national defense amounted to \$25,500,000.<sup>9</sup> Of this amount, \$500,000 was allocated for expenditure in connection with emergency rehabilitation in Ecuador. The remainder, of which \$5,000,000 was in cash and \$20,000,000 contract authorization, was allocated to be granted to The Institute of Inter-American Affairs for its health and sanitation program; provision of \$20,000,000 in cash to pay the grant-in-aid made to the Institute under contract authorization was made on July 11, 1942.<sup>10</sup>

Exclusive of the \$20,000,000 cash provided to liquidate the contract authorization of the previous year for the health and sanitation program, three allocations were made from the Emergency

Fund for the President in the 1943 fiscal year. One of these was a sum of \$550,000 to cover payment of subsidies to shipping companies because of increases in the shipping rates for newsprint to South America.<sup>11</sup> A second was an allocation of \$1,000,000 for the establishment of an insurance fund to meet damage to or loss of vessels operated by the Inter-American Navigation Corporation.<sup>12</sup> The third item was an allocation of \$6,500,000 for expenditure in connection with special projects designed to improve railway transportation in Mexico.<sup>13</sup> No other allocations were made from the Emergency Fund for the President, and the total amount of funds made available from this source for CIAA and its subsidiary corporations amounted to a gross total of \$36,975,000. The aggregate of these several allocations was reduced to a total of \$35,155,466, but not all even of this reduced sum was actually used.<sup>14</sup>

Aside from the above-described allocations from the Emergency Fund for the President and some minor transfers from other agencies, funds for operation of the Office programs, either directly or through corporations, were obtained by direct Congressional authorization. These authorizations were either cash appropriations or authority to execute contracts, depending on whether or not cash was needed immediately for payment of obligations incurred to carry out the program. In 1942 the sums of \$10,819,820 in cash and \$3,000,000 in contract authorization were available to CIAA through the appropriation and authorizations made to OEM for its constituent agencies. In 1943 the appropriation to OEM specifically provided \$28,638,000 for CIAA, including \$3,000,000 for payments needed under the previous year's contract authorization. A supplemental appropriation for 1943, providing an additional \$5,000,000, was later made. In 1944 the Congress provided CIAA with \$30,735,000 in cash and \$18,000,000 in contract authorization, the latter being available for obligation for two years, 1944 and 1945. In 1945 the cash appropriation was \$18,000,000, including \$4,000,000 for payments required in that year on obligations incurred under the 1944-1945 contract authorization of \$18,000,000. Late in the

<sup>6</sup> James V. Forrestal to President Roosevelt, August 16, 1940.

<sup>7</sup> Nelson A. Rockefeller to Harold D. Smith, August 21, 1940.

<sup>8</sup> Presidential Allocation Letter No. 22, August 24, 1940; Presidential Allocation No. 23, August 23, 1940. These allocations were technically made to the Council of National Defense for the use of the Coordinator.

<sup>9</sup> Allocation No. 42-84, February 20, 1942; Allocation No. 42-142, June 20, 1942, as cited in letter of J. W. Hisle to H. D. Smith, August 9, 1944.

<sup>10</sup> Allocation No. 42-C-1.

<sup>11</sup> *Hearings, H.R., 1944*, Pt. 1, page 174. Allocation No. 42-3-48, September 9, 1942.

<sup>12</sup> Allocation No. 42-3-33, August 15, 1942. No expenditure was ever made under this allocation, and it was subsequently withdrawn entirely.

<sup>13</sup> Allocation No. 42-3-66, November 6, 1942 and Allocation No. 42-3-128, May 10, 1943.

<sup>14</sup> See *Hearings, H.R., 1946*, p. 505, which indicates total available funds as of December 31, 1944. No further allocations were made from the Emergency Fund.

1945 fiscal year, rescission legislation reduced the 1945 appropriation by \$307,000. In 1945 CIAA received an additional contract authorization of \$2,500,000. The cash appropriation for the fiscal year 1946 was \$13,000,000, of which \$3,543,290 was for further payments required on obligations incurred under the 1944-1945 contract authorization of \$18,000,000, and \$301,423 similarly applicable to the 1945 contract authorization of \$2,500,000. The remainder of the \$13,000,000, i.e. \$9,155,287, was for obligations to be incurred in 1946, and of this sum \$7,431,414 was transferred to the Department of State as of August 31, 1945, when the information functions (press, radio, motion picture, etc.) of the CIAA were transferred to that Department. Subsequently, \$1,500,000 from this \$7,431,414 was returned to CIAA for deposit into the Treasury in accordance with rescission legislation enacted.

The total funds thus provided to May 20, 1946 by appropriation or contract authorization, either directly to CIAA or through OEM, amount to \$118,848,107, including the sum transferred in fiscal year 1946 to the State Department for the Information functions. This, together with \$36,975,000 allocated from the Emergency Fund for the President and net funds of \$81,590 acquired through minor transfers to and from other agencies, aggregated \$155,904,697 for the Inter-American programs. This total sum of approximately 156 million dollars is accounted for, in round figures, as follows:

<i>Financing of corporations<sup>9</sup></i>	Millions of dollars
The Institute of Inter-American Affairs (Basic Economy Program).....	65
Inter-American Educational Foundation, Inc. (Cooperative Educational Program).....	5
Institute of Inter-American Transportation (Railway Mission to Mexico).....	7
Prencinradio, Inc. (Special Radio and Motion Picture Projects).....	1
Inter-American Navigation Corporation (Caribbean Shipping).....	½
Total Corporation financing.....	78½
<i>Other CIAA programs</i> (principally Information, i.e., press, radio, and motion picture, but also including Economic Development, Inter-American Activities in the U. S., etc.).....	65
Total Funds used.....	143½
<i>Balance of available fund unused (minimum) (includes Congressional rescissions)</i> .....	12½
Total available fund.....	156

Originally, the total used for financing of corporations was 80 million dollars. In the fiscal year 1946, two rescissions were made from corporate funds by legislation enacted. These rescissions totaled about 1½ million dollars, and applied to the Institute of Inter-American Transportation (about ½ million), Prencinradio, Inc. (about 1 million), and Inter-American Navigation Corp. (less than ¼ million). Each of these three corporations either is already dissolved or will be dissolved by June 30, 1946, and will be engaged only in liquidation after that date. The Institute of Inter-American Affairs and the Inter-American Educational Foundation, Inc. have active programs which continue, under agreements with the other American republics, for the period specified in the particular agreement. It will be noted that the sum of 12½ million dollars shown above as unused funds is stated to be a minimum. This is because of the possibility that some part of the 78½ million dollars of corporation fund relating to the corporations which are dissolved or soon to be dissolved may remain unobligated at the completion of their programs.

The following table shows, by year and by source, the funds made available to the CIAA. The column "Budget Estimate" is included only for purposes of comparison between the requests formally presented to Congress and the appropriations made. It should also be pointed out that the total funds made available during a given year do not necessarily indicate the scale of the activities of the agency during that year. For example, the sum of \$61,654,500 provided in 1943 was to a large extent for the financing of corporation programs which would extend into subsequent years. Thus, although 1943 was the peak year of operations, its level was much nearer that of 1944 than the cash made available during each of the 2 years would seem to indicate. Similarly, 1944 funds were in part for financing of corporations' programs, and cannot be compared directly with the available funds for 1945. Actually, however, the programs other than those carried out by corporations did decrease after 1943, particularly in 1945 and 1946. It will be noted that the appropriation made for 1946 was \$2,880,000 below the budget estimate, and that an additional \$1,500,000 was later rescinded.

Accompanying charts recapitulating amounts obligated and committed to CIAA activities (as of August, 1944) indicate the approximate amounts devoted to the major operational divi-

sions, by years up to that time, as well as the overall expenditures of the Office. A breakdown, in round numbers, of total funds obligated by the several major divisions of the agency, for the entire period of the program, is as follows:

*Functional Breakdown of Funds Obligated by CIAA and Corporations for entire period of Programs (to 1949)*  
In Millions of Dollars

Basic economy:	Millions of dollars
Health and Sanitation.....	50
Food Supply.....	10
Emergency Rehabilitation.....	2
General Projects related to above.....	2
	64
Information.....	41
Education.....	9
Economic Development and Transportation.....	13
War Shipping Activities.....	1
Administration and Personnel.....	15
	15143

*Office For Coordination of Commercial and Cultural Relations Between the American Republics*

Estimate of Staff Needs and Other Costs:

The following is a very general outline of staff needs as well as of anticipated costs. The estimates are necessarily general, and it is not yet clear to what extent it will be either desirable or practical to use personnel from other Departments.

<sup>15</sup> Ratio of expenditures made in the U. S. and outside the U. S. indicates that this total sum will have been disbursed, upon completion of programs, approximately as follows: In the United States \$67,000,000; outside the United States \$76,000,000.

Office of the Coordinator:

Executive Assistant to the Coordinator.....	\$ 10,000
Legal Staff, two lawyers.....	15,000
Executive Secretaries, one for Commercial Relations, second for Cultural Relations.....	15,000
Secretary, Interdepartmental Committee.....	5,000
Assistants and Research Men (3-5) Approx....	17,500

Service:

Chief.....	5,500
Stenographers 5 to 10 approx.....	20,000
Translators 2 to 4 approx.....	13,000

Office Supplies, Communications, etc..... 17,000

Traveling Expenses, subsistence and other expenses of Nonsalaried Consultants..... 47,000

Field Representatives, Special Missions to Latin America..... 90,000

Total for Coordinator's Office..... \$ 255,000

Cultural Program:

Study of Nazi etc. Propaganda Techniques, Public Opinion.....	\$ 650,000
Press.....	350,000
Radio.....	350,000
Educational and News Films.....	850,000
Cultural Program.....	550,000
Educational, Travel.....	300,000

Total for Cultural Program..... \$3,050,000

Special Consultants on all Phases of Program..... \$ 195,000

Grand Total..... \$3,500,000

The First Budget: Office of the Coordinator of Commercial and Cultural Relations Between the American Republics.

## TERMINATION OF THE AGENCY

The Office of the Coordinator of Inter-American Affairs, while established before the war, was to function primarily as a war agency.<sup>1</sup> At the same time, many of its activities were of such significance that it was desirable to carry them on after the war, and consideration of this problem was started as early as 1943. In May of that year the Coordinator wrote to Under Secretary of State Sumner Welles, in connection with discussions already held, as to the necessity for looking ahead to the time when new facilities and organizational arrangements would need to be made for handling many of the activities being carried on at the time by CIAA. As he pointed out, the important thing was that "advances which had been made during this emergency in promoting understanding, mutual trust, and confidence among the people of the hemisphere must not be lost."<sup>2</sup>

Both the Coordinator and Mr. Welles were in agreement that many activities in the long-range field should not be endangered when CIAA itself went out of existence. Certain of these activities could and should be taken over by permanent government agencies, but both men realized that, particularly during the inevitable period of retrenchment immediately following the war, it would be necessary to depend upon responsible private interests and agencies in carrying on the inter-American program. The Coordinator felt at this time that the Inter-American Development Commission could be a source of much aid, and likewise that the existence of the Institute of Inter-American Affairs would assure continuity in the operations in the health and sanitation and food supply programs. In the information and educational fields, however, appropriate facilities had not yet been established, and the Coordinator at this time had under consideration the formation

of one or more separate corporations to carry on work in both the informational field and in regard to education.

The establishment of subsidiary corporations, for both the information and educational fields, was approved by Under Secretary Welles but only one of the two corporations ever was to be formed; this was the Educational Foundation, Inc. Further discussion in the information field was to follow in the next year, with a certain amount of this connected with the coordination committees which were serving as the field unit for CIAA (largely in connection with information activities.)<sup>3</sup> Members of both CIAA and the State Department visiting Latin America in this period found that in some cases the feeling of committee members that their organization would not last after the war was curtailing activities to some extent and causing some loss of interest.<sup>4</sup>

In October 1943 the Coordinator took up the matter of further disposition of the activities of the agency with Mr. Edward R. Stettinius, Jr., who had recently replaced Mr. Sumner Welles as Under Secretary of State. Mr. Rockefeller noted that one of the problems in inter-American affairs had been the sudden abandonment of the program of collaboration which had been developed with the other American republics after the first World War, which had resulted in a feeling of bitterness and distrust among Latin Americans which had not been forgotten even up to the beginning of World War II.<sup>5</sup> At the same time, Mr. Rockefeller recognized that after the war Congress would

<sup>1</sup> As early as March 9, 1943, Mr. Rockefeller in a letter to Mr. Welles noted that he felt that CIAA should take part in any discussion on the future of the committees, since it had been instrumental in their creation.

<sup>2</sup> Memorandum from Clarence Canary to John Akin, August 2, 1943.

<sup>3</sup> Nelson A. Rockefeller to Edward R. Stettinius, Jr., October 21, 1943. Mr. Rockefeller also pointed out that one of the common methods of attack by the Axis on the CIAA program during World War II had been its statement that the United States was only undertaking the present program as a war expedient; that there was no sincerity on its part, and that the professed good will would be abandoned as soon as the war had been won.

<sup>1</sup> Cf., Chapter 14.

<sup>2</sup> Nelson A. Rockefeller to Sumner Welles, May 17, 1943.

insist on the curtailment of government expenditures and that as a result plans should be made even that far in advance to consolidate gains which he felt had been achieved. He noted that arrangements had already been made through direction of the Bureau of the Budget and the Appropriations Committees of Congress for the orderly carrying out of the completion of the basic economy program over the next few years. He also mentioned that the future of the remainder of the program was now the subject of discussion both in the Department of State and his Office, and closed by saying that he felt that it was "imperative that final disposition of CIAA activities should be handled in such a manner and so timed as not to give the other American republics any basis for questioning the sincerity of the inter-American policies of this Government, of which this Office has become one of the tangible symbols."

A memorandum drawn up in CIAA in November 1943 considered several possibilities for disposition of CIAA activities in the postwar period.<sup>6</sup> It was felt, for example, that the Institute of Inter-American Affairs might possibly be transferred to the Pan American Sanitary Bureau, with the food supply part of the program going to the Department of Agriculture. Economic development activities also might be divided, with the then Commercial and Financial and Resources Division going to the Department of Commerce and with the Inter-American Development Commission utilized as a link between United States and Latin American businessmen. The Inter-American Training Administration could be utilized to handle training. Activities in the transportation field could either be split up between the Office of Defense Transportation, Maritime Commission, Civil Aeronautics Authority, and the Public Roads Administration, or could go to the Department of Commerce.<sup>7</sup> Inter-American Activities in the United States could well be handled by the Pan American Union.

The memorandum investigated the possibility of creation of a new department of information, whose head would have cabinet rank. If this were done activities in the fields of press, radio, and motion pictures could be carried on, with certain necessary curtailment made in order to return certain functions to private industry. In the field

<sup>6</sup> As noted in a rough draft of November 19, 1943.

<sup>7</sup> Mention was made that the growing importance of transportation and communications might well be cared for by a new government department with cabinet rank which if created would automatically take over transportation activities of CIAA.

of education, the program of the Inter-American Educational Foundation could well be transferred to the Cultural Relations Division of the Department of State.<sup>8</sup>

Future possibilities in the case of information activities also were discussed seriously in this period, for example at a meeting of the Information Department Executive Committee November 18, 1943, at which both State and CIAA representatives were present. Here, for example, leaders in the radio field felt that most activities should be discontinued gradually to permit as much absorption by private industry as possible; short wave activities might be continued by some form of joint government and private enterprise. Cultural activities in this field might well be handled by the Cultural Relations Division of the Department of State or by some governmental information agency. In the field of education, Mr. Kenneth Holland (heading that program for CIAA) was of the opinion that the Educational Foundation should probably go under the authority of the Cultural Relations Division of the State Department when CIAA was terminated. It was also noted at this meeting that a study was being made for the Department of State on a possible organization to carry on information activities after the war.

Memoranda on disposition of other fields of activity of CIAA also were presented in this same period; one on the disposition of economic development work indicated that it could be distributed between the Department of Commerce and the Department of State insofar as government activity was concerned, and, in relation to private activity, could be transferred to the Inter-American Development Commission.<sup>9</sup> It was noted, however, that it would be necessary to secure greater financial backing for the Inter-American Development Commission; if not, the Commission should be dissolved.

By January 1944 the Department of State had reached a decision in regard to the future of the coordination committees and the Under Secretary of State informed Mr. Rockefeller that it was the opinion of the Department that the coordination committees as such should not be continued after the war. It was felt, however, that local United States communities could well maintain private organizations dependent in size upon conditions in

<sup>8</sup> While this memorandum was largely in the realm of speculation, it serves to indicate the fact that divisions of the Office were giving serious consideration to possibilities of carrying on the program in the postwar period.

<sup>9</sup> John C. McClintock to Nelson A. Rockefeller, November 9, 1943.

the local community. These should not be linked administratively with any branch of the United States Government in Washington, nor called upon to exercise administrative functions or responsibilities of this government.<sup>10</sup> The Coordinator in reply<sup>11</sup> indicated that CIAA accepted the policy decision of the Department that the coordination committees as such should not be continued in the postwar period and that its program would be guided accordingly. He mentioned, however, that CIAA did not find itself in agreement with the decision.<sup>12</sup> He also noted that CIAA would be glad to cooperate with the Department in every possible way in working out a permanent program in the information field. The importance of organizing the program as soon as possible was emphasized, in order to maintain gains which had been made during the war years in relations with the other American republics, and it was felt that a definite hemisphere pattern under the direction of the Department of State should be maintained. He hoped that the community of interest which had been built up with United States citizens, both in the other American republics through the coordination committees and in the United States through the inter-American centers, would not be lost. The policy decided upon in connection with the postwar activities of the coordination committees was communicated to the several United States Embassies in the other American republics in January 1944 by a circular airgram sent by the Department of State which recapitulated the exchange of information on the matter between the Coordinator and the Under Secretary of State.<sup>13</sup> The Embassies were instructed to inform the coordination committee as to these decisions.

A committee had been set up for planning continuation of the CIAA program, and this body made its first report to the Coordinator on April 11, 1944.<sup>14</sup> The plan which it presented was based upon three assumptions: (1) that CIAA would not be continued as a permanent agency; (2) that those CIAA programs of proven value for future continuation should be carried on; (3) that wherever practicable, such programs should be carried

<sup>10</sup> Edward R. Stettinius, Jr., to Nelson A. Rockefeller, July 22, 1944. This letter was primarily written to inform the Coordinator that the coordination committees should not be utilized in regard to economic development activities under consideration.

<sup>11</sup> Nelson A. Rockefeller to Edward R. Stettinius, Jr., January 28, 1944.

<sup>12</sup> Mr. Rockefeller in earlier letters of January 4 and 7 had urged continuation of the coordination committees after the war.

<sup>13</sup> A copy of this circular letter was sent to CIAA on February 19, 1944.

<sup>14</sup> Percy L. Douglas to Nelson A. Rockefeller, April 11, 1944.

on by other than government financing. In regard to the information program, the committee felt that CIAA should urge a continuation of it in the postwar period by the United States Government, and suggested that an office of information should be established to carry it out. If the jurisdiction of this office was to be world wide, it should be organized to function on a regional basis, however. Such an office of information could either be a part of the Department of State, an independent office reporting directly to the President, or a new department in the government. The latter was felt to be the most satisfactory solution. Regional staffs and technicians could be established to take the place of the coordination committees, while the educational program of the office, as it was being handled through a corporation, could readily be transferred to either the Department of State, the United States Office of Education, or to private sponsorship.

In regard to the health and sanitation program, the committee believed that this should be carried on by The Institute of Inter-American Affairs, either under the Pan American Sanitary Bureau, or independently with its board of directors representing interested government agencies. At this time it was felt that the food supply program should be assigned to the Department of Agriculture.

As to activities in the field of economic development, the committee felt that these programs should go to the Department of Commerce, although the Inter-American Development Commission should be maintained to carry on work limited to the development field. Activities in the transportation field, the committee felt, should be continued until wartime restrictions and overloads on transportation systems of the other American republics had been removed; supervision of the program could be maintained either in the Department of Commerce, Department of State, or possibly by a new department of government. It was felt by the committee that the inter-American programs in the United States should be carried on by private enterprise, possibly by the United States Commission of the Inter-American Development Commission.

Further memoranda were to be submitted in succeeding months on the future of information activities. In October, for example, a formal memorandum was drawn up which recommended continuation of an information program after the war. It was proposed that the current activities of OWI



and CIAA be merged into a single information agency on the plan of the Brazilian Ministry of Information. It would be headed by a director to be appointed by the President with the advice and consent of the Senate, and who would receive policy guidance from the Secretary of State.<sup>15</sup> The memorandum then went on to make certain specific recommendations regarding disposition of its several information activities which need not be discussed in detail except to state that CIAA felt that where possible private industry should take over operations rather than to have the government attempt to operate the entire program.

Meanwhile the Coordinator had made certain plans toward continuation of parts of the program by private enterprise. The Council for Inter-American Cooperation, Inc., had been created as a private corporation particularly to work with inter-American centers which, being private entities, also were expected to continue in operation after the war. A part of the training program was also cared for by creation of the Institute of International Education, Inc., although much of the training of the Institute of Inter-American Affairs was to be handled by it directly.

Meanwhile Mr. Rockefeller had gone to the Department of State as Assistant Secretary of State, and there is some indication that in the spring of 1945 officials of the agency gave consideration to extension of the operations of CIAA for at least a time. In hearings before Congressional committees it was pointed out that the idea that private enterprise could take over immediately many functions of the inter-American program had needed to be altered, and that certain additional expenditures were necessary by CIAA in order to finish out its activities until such time as permanent objectives could be assumed by private entities.<sup>16</sup>

Mr. Rockefeller was to leave the Department of State, however, in the summer of 1945. The first step in the disposition of the activities of the agency occurred on August 31, 1945, on which date President Truman issued an Executive Order transferring to an Interim International Information Service in the Department of State the information functions of CIAA and OWI

<sup>15</sup> As an alternative, it was suggested that the information unit be set up in the Department of State, although this plan was considered somewhat less satisfactory than the creation of an independent information agency.

<sup>16</sup> *Hearings, H.R., 1946*, p. 504.

which were performed abroad.<sup>17</sup> This information service was to remain in existence until December 31, 1945, and CIAA retained authority over personnel records, property, and appropriation balances related to the information functions while final disposition was being worked out.<sup>18</sup>

Disposition of other activities of the agency were suggested to the Bureau of the Budget shortly after information activities were transferred to the Interim Information Service, in a letter of September 26, 1945, to the Bureau of the Budget.<sup>19</sup> In regard to the five corporations of the Office it was proposed that the Inter-American Educational Foundation, Inc., and the Institute of Inter-American Transportation be merged into The Institute of Inter-American Affairs. Since the Inter-American Navigation Corporation and Prencinradio, Inc., were in process of dissolution, it was of less significance that they be merged except to eliminate them as legal entities. Reasons advanced in favor of the merger of the corporations were as follows: (1) An increase of efficient administration would result in certain economy in regard to administrative costs; (2) since the various programs of the three corporations dealt with the same basic problem, had the same objectives, and as such complemented each other, if merged, it would round out a fundamental program of inter-American relations under one head; (3) since Government corporations were under criticism, the elimination of the majority of them would be a step toward meeting such criticism.

At the same time, within CIAA, one division felt that the idea of the merger was unsound. This was the Inter-American Educational Foundation, Inc. Reasons for this difference of opinion lay first in the belief that if the Office of Inter-American Affairs were to continue as an independent agency, its name should be retained and the various corporations should be continued as separate entities. It was felt that the Office was a symbol of United States cooperation with the other American republics and the abandonment of the name would only be another indication to Latin America that the United States was losing interest in the program.<sup>20</sup> Secondly, if the Office of Inter-American

<sup>17</sup> Executive Order 9608. From the IIS these functions were then transferred for operation within the Department in line with plans which had been worked out in previous months.

<sup>18</sup> Memorandum from Francis A. Jamieson, Acting Director, to the staff, September 6, 1945.

<sup>19</sup> Francis A. Jamieson to Winthrop Southworth, September 26, 1945.

<sup>20</sup> Kenneth Holland to Francis A. Jamieson, September 25, 1945. The agency, of course, had assumed the title of Office of Inter-American Affairs the previous spring.

Affairs could not be continued as an independent agency, the education staff felt that it should be completely dissolved and the program should be placed in old line departments, for the formation of a single corporation would only be a half-way measure. It was also felt that unification of the corporations would not result in greater efficiency, since the corporations were already working in close cooperation. Finally, Mr. Holland, head of the Foundation, felt that the functions of the different corporations were not similar, and that if the Inter-American Educational Foundation's program was to be merged in any way, it should be tied in with the new Office of International Information and Cultural Affairs in the Department of State.

In connection with activities other than those carried on by the corporations, certain suggestions were made to the Bureau of the Budget in September.<sup>21</sup> These involved possible transfer of transportation work to the Department of Commerce and of the economic developmental program to private control, while certain of the activities in the United States might go to the United States Office of Education or to the Council for Inter-American Cooperation, a private corporation formed somewhat earlier. Information activities work had already gone to the Interim Information Service, as noted. Following the proposal for merger of the corporations in September, certain preparations were undertaken by the agency preparatory to carrying out such a merger if it were agreed upon. The legal side required certain investigation, since some of the entities concerned were stock corporations and others of the non-stock type.<sup>22</sup> The General Accounting Office was consulted, and raised no objection to the proposed merger.<sup>23</sup> Late in October the Board of Directors of the Institute of Inter-American Transportation were informed as to the action necessary to convert it into a nonstock membership corporation, in preparation for the possible merger.<sup>24</sup>

Following the proposed merging of the corporations of the agency it was understood that the one corporation, together with all of its functions, funds, personnel, and equipment should be trans-

ferred to the jurisdiction of the Department of State, and this idea was accepted by the latter Department as a means for carrying on the program.<sup>25</sup> Early in November this disposal of the agency was formally suggested in letters of the Director of the Office of Inter-American Affairs, both to the State Department and the Bureau of the Budget.<sup>26</sup> Administrative relationships between the merged corporations and the Department of State after transfer were worked out tentatively by a committee composed of Assistant Secretaries of State Braden, Benton, Clayton, and Russell, and approved in a memorandum dated December 29, 1945,<sup>27</sup> thus giving at least tacit approval to the merger by the Department.

No action was taken for some time, however, in connection with the proposals presented for merging of all activities into a single corporation and transfer of the latter to the Department of State.<sup>28</sup> Finally, on March 21, the Acting Director of the Office of Inter-American Affairs wrote to the Director of the Bureau of the Budget recapitulating steps taken in the problem and calling attention to the fact that no decision had yet been made as to ultimate disposal of remaining activities of the agency. He urged action since the delay was of significance in the inter-American program. Further discussion was carried out on the following day with the Director of the Bureau of the Budget, and officials of the agency were informed by him that he would give further study to the matter and make a decision on it in a short time.<sup>29</sup>

Final decision was made in the matter of termination of the existence of the agency as a separate entity on April 10, 1946, with the corporations going under State Department jurisdiction as separate units. Proponents of the idea of merging

<sup>25</sup> Spruille Braden to Harold D. Smith, November 26, 1945. The copy used is in files of OIAA.

<sup>26</sup> Francis A. Jamieson to Ellis O. Briggs, November 1, 1945; Francis A. Jamieson to Harold D. Smith, November 2, 1945; as noted in a letter of Colonel Harold B. Gotaas to Spruille Braden, March 6, 1946.

<sup>27</sup> As noted in letter from Harold B. Gotaas to Spruille Braden, March 6, 1946. The Transportation Corporation was excepted, in view of its pending dissolution.

<sup>28</sup> The delay lay in failure of the Budget Bureau to arrive at a decision, apparently; in a letter of March 6, 1946, from Harold B. Gotaas to Assistant Secretary of State Braden, the former noted that: "Since the memorandum of November 29, 1945 (of the four Assistant Secretaries of State), was sent to the Director of the Bureau of the Budget no action has been taken concerning the proposal (for a merger of the corporations) made by this Office to the Director."

<sup>29</sup> A letter of Harold B. Gotaas to Ellis O. Briggs, March 22, 1946, informed the State Department of these steps and that a decision might be expected before long. A memorandum in the files of the agency recapitulates the matters taken up at this conference; it indicates that the Director of the Bureau of the Budget felt that conflicting opinion on the proposed merger still existed and that he favored transferring the corporations to the Department as independent entities.

<sup>21</sup> As indicated by a chart summarizing a recommendation to the Bureau of the Budget on September 25, 1945.

<sup>22</sup> Letters of William T. Thurman to Kenneth R. Iverson on October 2 and 9 dealt with technical legal aspects of the question.

<sup>23</sup> Memorandum for files by Kenneth R. Iverson, October 11, 1945.

<sup>24</sup> Robert J. DeCamp and Kenneth R. Iverson to the Board of Directors of the Institute of Inter-American Transportation, October 24, 1945.

the corporations into a single entity before transfer to the jurisdiction to the State Department had strongly protested the decision of the Bureau of the Budget to make the change without such action, but were unsuccessful in modifying the decision. The Executive Order issued by the President on April 10 ordered termination of the Office of Inter-American Affairs effective with the opening of business on May 20, 1946. All functions of the Director of the agency were transferred to the Department of State, and all corporations were transferred to the Department as independent entities. In the period between April 10 and May 20, all activities of the Office were either to be transferred to the corporations or provision made for their termination.<sup>30</sup>

Thus on May 20, 1946, the agency established in August 1940 as the Office for the Coordination of Commercial and Cultural Relations between the American Republics, then renamed the Office of the Coordinator of Inter-American Affairs, and finally entitled the Office of Inter-American Affairs, ceased to exist as an entity. All operations, however, did not end, but activities carried on beyond this date are not within the limits of this study.

An intensive evaluation of the accomplishments of the Office of the Coordinator of Inter-American Affairs, made in connection with this study, would be premature. In the first place, the operations inaugurated by the agency are still uncompleted in several fields and will not be finished until the latter part of 1948. It is likewise impossible at this time to state to what extent such programs as those concerned with training of individuals and demonstration of techniques will be effective in changing conditions in the other American republics. Also, no full evaluation of the accomplishments of CIAA can be made until further examination of operations in the field has been carried out, and until a study of the overall picture of United States activities in the several countries during the war period has been carried out by investigators. There is still much to be done in research in regard to events in Washington.<sup>31</sup> Therefore, while favorable and adverse comment has been made from time to time on activities during the years that the program has been in operation, no thorough analysis has yet been made based on a broad examination of the facts, nor is it probable

<sup>30</sup> The resignation of Mr. Wallace K. Harrison, submitted

<sup>31</sup> It is hoped the series of histories of the agencies of the Government, of which this is a part, will enable the full story of the war effort to be written.

that one can be prepared for several years to come.<sup>32</sup>

Certain general statements should be made, however, for use when such evaluation of the agency's work in the other American republics is attempted; some factors have not always been given sufficient consideration in judgments passed upon its work. In the first place, the agency cannot be divorced from the period in which it functioned. It was created as a part of the Roosevelt Administration, to carry out certain policies at a time when that Administration looked on involvement in the European war as an imminent probability. Direct participation in the war by the United States followed within a short time, and the agency operated as a part of the war machine and under the same pressure for action as was experienced by various other war agencies. As a result of this situation, it was not possible to carry out extensive research before projects were undertaken; as in the case of a commander under attack, many things were started frankly as expedients, in the hope that they would succeed but with realization that they might not. For the same reason it was not always possible or desirable to carry out a project in the cheapest possible way, for it was considered of greater importance to do it immediately than to delay and save a certain amount of money.

A second factor which must be borne in mind was that the Coordinator and his associates did not participate in the determination of policy. This fact was clearly established well before the war started.<sup>33</sup> Every project presented had to be approved by the Department of State before it could be put into operation. In addition to that, the program of CIAA was checked (on a more general basis, of course) by the Bureau of the Budget, and by the subcommittees of the Appropriations Committees of Congress. These bodies were kept fully informed as to contemplated programs and proposed expenditures, and as records of hearings will

<sup>32</sup> In any evaluation of the operations of CIAA, much useful material will be found in the reports made on the various hearings held by subcommittees of the Appropriations Committees of both houses of Congress for the years concerned. Members of these bodies submitted representatives of the Office to searching questions in regard to each activity, and had all types of information made available to them. In this connection, it might be noted that the savage criticism of United States operations in the Latin American field made by Senator Hugh Butler of Nebraska in a report to the Senate filed on November 26, 1943, and in the *Readers Digest* of December, 1943, was brought up before an Appropriations subcommittee in April and replied to by Mr. Rockefeller (*Hearings, H.R., 1945, Pat. 1, pp. 927-933*). A refutation of Senator Butler's charges was also made by Senator Kenneth McKellar of Tennessee on December 13 (*Congressional Record, 78th Congress, 1st Session*).

<sup>33</sup> As shown in Chapter 15.

testify, were apt to make a thorough study of items before approving them.<sup>34</sup> In addition, the Coordinator's Office was not the only one functioning in the Latin American field and its responsibilities were in many cases specifically limited; for example, the field of procurement of strategic materials was clearly assigned to the Board of Economic Warfare and its successor, the Foreign Economic Administration. Actual carrying out of CIAA projects in the other republics was further checked upon by the local United States Embassies and by the American businessmen who made up the personnel of coordination committees. It is thus true that CIAA was not operating as a free agency, but only within lines approved by Congress and the Department of State as well as by other agencies where that program came within their jurisdiction.

One of the main criticisms directed against the agency has been that it was extravagant; the Butler report mentioned in a previous footnote emphasized this point, also that an attempt was being made to "buy" Latin American friendship by loans and free spending. As to the first point, Senator Butler's figures were far too high — for CIAA, he set expenditures (in 1944) at \$250,000,000, when even by 1949 they will amount to only about \$155,000,000 — and in a war where over two billion was spent on atom bomb experimentation, the expenditure of \$155,000,000 on an attempt to maintain hemisphere unity does not seem unduly high. And with European markets (which consumed nearly two-thirds of the other American republics' exports) eliminated by the war, loans and credits to southern republics were in the nature of a necessity, in order to prevent disruption of hemisphere economy.

It has also been said that the information policy of CIAA was not always guided so as to attain the maximum effectiveness in Latin America. In some cases this was probably true; there is some evidence that not sufficient use was made of Latin Americans themselves in the determination of policy.<sup>35</sup> However, it should be noted that CIAA did attempt at first to test public opinion by the best methods available until this was found impossible and then made use of resident United States citizens to serve as advisors.<sup>36</sup> Likewise, all local information projects were carried out under

specific approval of the United States Embassies. In addition, the men employed in press, radio, and motion picture operations were in most cases chosen from among the best-trained and experienced men in their respective fields, with many of them also having had contact with Latin America. Technicians in the health and sanitation, food supply, and other operations were also normally men of experience and training — for example, Major General George Dunham, was recognized as one of the best in the United States in the field of tropical medicine. It is a fact that all of the other American republics declared war against the Axis in World War II while less than half had done so in 1917, although it is of course impossible to estimate to what extent this was influenced by CIAA activities as against the need for a market, fear of Axis domination, or a dozen other factors.

In the administrative field, CIAA made a number of contributions which might be utilized to advantage in the future. Project budgeting, for example, if well handled and with a prompt and careful system of project evaluation used to guide it, could serve to control operations to good advantage. The nonprofit subsidiary corporations proved to have a definite value in carrying out activities in a foreign field, where a regular United States Government agency would have been handicapped. The idea of cooperative efforts between governments in a long range program would also seem to offer a better chance for continuation of activities after these had been started than almost any other plan, particularly where supplemented by an effective training program.

The agency pioneered also in making use, on an organized basis, of United States citizens resident abroad.<sup>37</sup>

The creation of CIAA in 1940 seems to have met the need for a flexible agency which could do things in a program for hemisphere unity which could not have been attempted by old-line agencies under current restrictions by law and precedent. All in all, its contributions to the war effort are well summed up in a case study of the agency by the budget examiner who for some years had the closest contact with its operations:

A. *Contribution to the war effort:*

To appreciate the part that this program has played in our war effort one must realize that great masses of the people of Latin America and large numbers of their leaders were far from friendly to us at the time of Pearl Harbor. The fear of

<sup>34</sup> CIAA budget usually stood up well under such consideration.

<sup>35</sup> Dr. Enrique de Lozada, special adviser to the agency, felt that this was true to some extent.

<sup>36</sup> See Chapter 8.

<sup>37</sup> These points were also noted by Dr. Harold F. Gosnell in his memorandum on "Information Activities of CIAA" soon to be published in modified form.

"American imperialism" had not been eliminated by the enunciation of a Good Neighbor Policy; substantial business and cultural ties bound Latin America to Europe; Axis interests and colonies dominated many areas; and early Axis military success was heady wine.

In spite of this situation, we had to utilize the geographic location and the strategic material resources of Latin America. For a considerable time, therefore, the information program was practically psychological warfare. As the other American republics joined the United Nations, the emphasis of the pro-

gram changed, but the need for it was not less vital. It was necessary to maintain active Latin American participation in the face of serious economic and political difficulties and widespread dissemination of information was a potent weapon to accomplish this end. Until the war in the Pacific is won, this program will continue to play a significant part in the war effort.<sup>38</sup>

<sup>38</sup> Case Study by Winthrop M. Southworth, on Office of the Coordinator of Inter-American Affairs, Department of Information, August 28, 1944, (as quoted in Gosnell, "Information Activities of CIAA," (draft) July 22, 1944).

# APPENDIX

THE WHITE HOUSE,  
Washington, June 15, 1940.

MY DEAR MR. SECRETARY: I am anxious to get in specific form from the several departments that are concerned with our economic relations with Latin America, the combined judgment of the Secretaries of the Departments of State, Treasury, Agriculture and Commerce relative to the action which this government should take. I am enclosing a copy of one of the many memoranda I have received relating to this subject.

Inasmuch as the matter is of great urgency I request that you report to me not later than Thursday, June 20.

I wish you would take the initiative in calling this group together.

Very sincerely yours,

FRANKLIN D. ROOSEVELT,

THE HONORABLE THE SECRETARY OF STATE,  
Washington, D. C.

## HEMISPHERE ECONOMIC POLICY

Regardless of whether the outcome of the war is a German or Allied victory, the United States must protect its international position through the use of economic measures that are competitively effective against totalitarian techniques.

If the United States is to maintain its security and its political and economic hemisphere position it must take economic measures at once to secure economic prosperity in Central and South America, and to establish this prosperity in the frame of hemisphere economic cooperation and dependence.

The scope and magnitude of the measures taken must be such as to be decisive with respect to the objective desired. Half measures would be worse than wasted; they would subject the United States to ridicule and contempt.

If it is the decision that such a program is necessary, the first step would be for our Government to so resolve. The next step would be to acquaint the governments of all of the countries involved with this objective and endeavor to obtain their whole-hearted cooperation. We would have a great deal to consider regarding what changes we would be willing to institute with reference to our own domestic activities where some of them might of necessity have to be eliminated or altered in order to assist the plan as a whole. The principle of compensation to interests adversely affected in such readjustments should be applied.

The broad outlines of program are as follows:

I. Surplus commodities. Emergency measures should be taken to absorb surplus agricultural and mineral products affecting the prosperity of the countries of the hemisphere. These surpluses should be pooled and disposed of by single management. Concurrently, steps should be taken to reorganize production on a long-term basis.

II. Tariffs should be reduced and eliminated. Industrial and agricultural interests unfavorably affected should be compensated. The freest possible flow of trade should be

established. Facilities for shipping, communication and insurance should be increased and costs be reduced to a minimum. Subsidies should be used when needed to gain essential objectives.

III. Investment in the hemisphere outside the United States is indispensable to develop sources of raw materials needed in the United States and to aid in maintaining balance of trade relationships. Action along these lines should be taken by private interests and by the federal government separately and in cooperation.

IV. The problem of external debts should be faced realistically and these debts should not stand in the way of constructive financial and trade assistance. Study should be given to the refunding of these debts, possibly converting them in part into obligations payable in domestic currency. The objectives would be to obtain substantial sums available for local investment where expenditures would be largely for local labor and local materials, to reduce the transfer problem, to provide additional products for export and to eliminate the bad atmosphere that will exist as long as the defaulted debts remain outstanding. It would be possible for private interests to work out a program along these lines without Government financial assistance other than that included under III above.

V. Government services. The personnel in the government service operating in the hemisphere is inadequate for the task. For example, in Central and South America there are only some 230 consular agents. This number should be substantially increased. Also the quality here and elsewhere in the service is inadequate for the job that now needs to be done. A comprehensive personnel program is urgently called for. Business personnel also needs strengthening to meet the necessities of the situation. Much can be done through the education of existing personnel to a new outlook. But in addition there must be improvement of quality and increase of numbers for the proper development of the program.

VI. Administration. The activities outlined above require organization in terms of common policy, program and timing. It is necessary that private interests be brought cooperatively into the program and it is also necessary that the activities of the various parts of the Federal Government be actively and harmoniously prosecuted. The suggestion is therefore made that the necessary integration and activation might be accomplished by the appointment by the President of a small advisory committee of private individuals with direct access to the President and a small inter-departmental committee. The broad program should be worked out jointly by the advisory committee and the interdepartmental committee.

The committees should be served by a proper executive. In view of the importance of the work to be done, it is suggested that this executive be appointed to one of the vacancies among the president's administrative assistants. This would not only reduce feelings of departmental rivalry, but would give the advisory committee direct access to the President when needed.

The foregoing memorandum does not deal with cultural,

scientific or educational hemisphere relations. A vigorous program along these lines should be pursued concurrently with the economic program. The main lines of a cultural program are fairly obvious, but here again it is a question of personnel and the use, in a nontraditional way, of government funds where private agencies are unable or unwilling to act, or in matters where the activity of private agencies is less appropriate.

ORDER ESTABLISHING THE OFFICE FOR COORDINATION  
OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN  
THE AMERICAN REPUBLICS

Pursuant to authority vested in it by section 2 of the Act of August 29, 1916 (39 Stat. 649), the Council of National Defense, with the approval of the President, hereby establishes as a subordinate body to the Council an office to be known as the Office for Coordination of Commercial and Cultural Relations between the American Republics, at the head of which there shall be a Coordinator of Commercial and Cultural Relations between the American Republics (hereinafter referred to as the Coordinator). The Coordinator shall serve as such without compensation but shall be entitled to actual and necessary transportation, subsistence and other expenses incidental to the performance of his duties.

The Coordinator shall:

(1) Establish and maintain liaison between the Advisory Commission, the several departments and establishments of the Government and with such other agencies, public or private, as the Coordinator may deem necessary or desirable to insure proper coordination of, and economy and efficiency in, the activities of the Government with respect to Hemisphere defense, with particular reference to the commercial and cultural aspects of the problem, and shall also be available to assist in the coordination and carrying out of the purposes of Public Resolution No. 83, 76th Congress (H.J. Res. 367);

(2) Be a member and chairman of the Inter-Departmental Committee on Inter-American Affairs, which shall include the President of the Export-Import Bank, one designate from each of the following Departments: State, Agriculture, Treasury, and Commerce, and such representatives from other agencies and departments as may be needed from time to time, the Committee to consider and correlate proposals of the Government with respect to Hemisphere defense, commercial and cultural relations and to make recommendations to the appropriate Government departments and agencies;

(3) Be responsible directly to the President, to whom he shall submit reports and recommendations with respect to the activities of his office;

(4) Review existing laws, coordinate research by the several Federal agencies, and recommend to the Inter-Departmental Committee such new legislation as may be deemed essential to the effective realization of the basic objectives of the Government's program;

(5) Be charged with the formulation and the execution of a program in cooperation with the State Department which, by effective use of Governmental and private facilities in such fields as the arts and sciences, education and travel, the radio, the press, and the cinema, will further national defense and strengthen the bonds between the nations of the Western Hemisphere.

Nelson A. Rockefeller is hereby appointed Coordinator of Commercial and Cultural Relations between the American Republics.

HENRY L. STIMSON,  
Secretary of War.

FRANK KNOX,  
Secretary of the Navy.

HAROLD L. ICKES,  
Secretary of the Interior.

H. A. WALLACE,  
Secretary of Agriculture.

ROBERT H. HINLEY,  
Acting Secretary of Commerce.

C. V. McLAUGHLIN,  
Acting Secretary of Labor.

Approved:

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, Aug. 16, 1940.

THE WHITE HOUSE,  
Washington, April 22, 1941.

My dear Nelson: Because of the growing complexity of relations between this country and the other American republics during the present emergency period, and having in view the often delicate inter-weaving of the various phases which foreign relations have now and will undoubtedly have in the future, I wish to assure that there shall be adequate centralization in the Government with respect to the conduct of our foreign relations.

As you know, it was my thought in the establishment of an Office of the Coordinator of Commercial and Cultural Relations between the American Republics that such an office was especially desirable as a coordinating organ for certain emergency measures rendered advisable by the course of events since the outbreak of the war. But in order that our foreign relations may be conducted so as to advance the security and welfare of the country, it is now more than ever essential that the Secretary of State be apprised of all Governmental undertakings, whether carried on directly by Governmental agencies or indirectly through private agencies, relating to foreign countries. The Department of State is charged with responsibility under the President for the conduct of the foreign relations of the country. This centralization of responsibility is of the utmost urgency today. Without it, the maximum result of the combined efforts of the executive agencies cannot be attained.

I am aware of your own personal intentions to cooperate for the purpose of furthering the highest interests of the country in regard to the activities of mutual interest to your Office and the Department of State. And I also know of your intentions to consult with and to obtain the approval of the Department concerning activities to be undertaken by your Office. The procedure for such cooperative agreement on action has frequently been effective, but I have observed occasions when complete coordination has not been achieved with consequent impairment of our total effort, particularly in regard to activities which, while directed from within this country, are carried out in the other American republics.

I therefore desire that you take appropriate steps to institute arrangements for assuring that in all instances projects

initiated by your Office shall be discussed fully with, and approved by, the Department of State, and a full meeting of minds obtained before action is undertaken or commitments are made. The Department of State has been instructed to give prompt and careful attention to any matters submitted by your Office for coordination.

I know that you will fully share my judgment that the steps requested are essential to the success of the Administration in attaining its objectives in inter-American affairs, in behalf of which I am sure I can count on your contribution.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

MR. NELSON ROCKEFELLER,

*Coordinator of Commercial and Cultural Relations  
Between the American Republics, Department of Commerce  
Building, Washington, D. C.*

**EXECUTIVE ORDER, ESTABLISHING THE OFFICE  
OF THE COORDINATOR OF INTER-AMERICAN  
AFFAIRS IN THE EXECUTIVE OFFICE OF THE  
PRESIDENT AND DEFINING ITS FUNCTIONS AND  
DUTIES**

By virtue of the authority vested in me by the Constitution and statutes of the United States, and in order to define further the functions and duties of the Office for Emergency Management with respect to the unlimited national emergency declared by the President on May 27, 1941, and to provide for the development of commercial and cultural relations between the American Republics and thereby increasing the solidarity of this Hemisphere and furthering the spirit of cooperation between the Americas in the interest of Hemisphere defense, it is hereby ordered as follows:

1. There is established within the Office for Emergency Management of the Executive Office of the President the Office of the Coordinator of Inter-American Affairs, at the head of which there shall be a Coordinator appointed by the President. The Coordinator shall discharge and perform his duties and responsibilities under the direction and supervision of the President. The Coordinator shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

2. Subject to such policies, regulations, and directions as the President may from time to time prescribe, the Office of the Coordinator of Inter-American Affairs shall:

- a. Serve as the center for the coordination of the cultural and commercial relations of the Nation affecting Hemisphere defense.
- b. Formulate and execute programs, in cooperation with the Department of State which, by effective use of governmental and private facilities in such fields as the arts and sciences, education and travel, the radio, the press, and the cinema, will further the national defense and strengthen the bonds between the nations of the Western Hemisphere.
- c. Formulate, recommend, and execute programs in the commercial and economic fields which, by the effective use of governmental and private facilities, will further the commercial well-being of the Western Hemisphere.
- d. Assist in the coordination and carrying out of the purposes of Public Resolution No. 83 approved June

15, 1941, entitled "To authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes."

- e. Review existing laws and recommend such new legislation as may be deemed essential to the effective realization of the basic cultural and commercial objectives of the Government's program of Hemisphere solidarity.
- f. Exercise and perform all powers and functions now or heretofore vested in the Office for Coordination of Commercial and Cultural Relations Between the American Republics, established by order of the Council of National Defense on August 16, 1940.
- g. Keep the President informed with respect to progress made in carrying out this Order; and perform such other related duties as the President may from time to time assign or delegate to it.
3. In the study of problems and in the execution of programs, it shall be the policy of the Office of the Coordinator of Inter-American Affairs to collaborate with and to utilize the facilities of existing departments and agencies which perform functions and activities affecting the cultural and commercial aspects of Hemisphere defense. Such departments and agencies are requested to cooperate with the Coordinator in arranging for appropriate clearance of proposed policies and measures involving the commercial and cultural aspects of Inter-American affairs.
4. Within the limits of funds appropriated or allocated for purposes encompassed by this Order, the Coordinator may contract with and transfer funds to existing governmental agencies and institutions and may enter into contracts and agreements with individuals, educational, informational, commercial, scientific, and cultural institutions, associations, agencies, and industrial organizations, firms, and corporations.
5. The Coordinator is authorized and directed to take over and carry out the provisions of any contracts heretofore entered into by the Office for Coordination of Commercial and Cultural Relations Between the American Republics, established by order of the Council of National Defense on August 16, 1940. The Coordinator is further authorized to assume any obligations or responsibilities which have heretofore been undertaken by the said Office for and on behalf of the United States Government.
6. There is hereby established within the Office of the Coordinator of Inter-American Affairs a Committee on Inter-American Affairs, consisting of the Coordinator as Chairman, one designee each from the Departments of State, Treasury, Agriculture, and Commerce, the President of the Export-Import Bank and such additional representatives from other agencies and departments as may be designated by the heads of such departments or agencies at the request of the Coordinator of Inter-American Affairs. The Committee shall consider and correlate proposals with respect to the commercial, cultural, educational, and scientific aspects of Hemisphere defense relations, and shall make recommendations to the appropriate Government departments and agencies.
7. The Coordinator may provide for the internal organization and management of the Office of the Coordinator of Inter-American Affairs. The Coordinator shall obtain the President's approval for the establishment of the principal subdivisions of the Office and the appointment of the heads



thereof. The Coordinator may appoint such committees as may be required for the conduct of the activities of his office.

8. Within the limits of such funds as may be appropriated to the Coordinator or as may be allocated to him by the President, the Coordinator may employ necessary personnel and make provisions for necessary supplies, facilities, and services. However, the Coordinator shall use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available to him through the Office for Emergency Management.

FRANKLIN D. ROOSEVELT,

THE WHITE HOUSE,  
July 30, 1941.

THE WHITE HOUSE,  
Washington, July 3, 1941.

MY DEAR MR. ROCKEFELLER: I hereby appoint you as Coordinator of Inter-American Affairs in accordance with the provisions of the Executive Order establishing this Office and defining its functions and duties. In this capacity you will receive no compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of your duties.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Honorable NELSON D. ROCKEFELLER,  
Washington, D. C.

October 15, 1941.

MEMORANDUM FOR THE COORDINATOR OF INFORMATION:

It appears that some question has been raised as to the fields of responsibility of your work and that of Nelson Rockefeller's organization.

I continue to believe that the requirements of our program in the Hemisphere are quite different from those of our programs to Europe and the Far East.

In order that information, news and inspirational matter going to the other American Republics, whether by radio or other media, may be carefully adapted to the demands of the Hemisphere, it should be handled exclusively by the Coordinator of Inter-American Affairs in cooperation with the Department of State.

The physical arrangements with the radio companies, for use of facilities, however, should be previously agreed upon by you and Nelson and jointly negotiated with the companies by the two of you.

Cooperation with the Department of State by you and Nelson will avoid misunderstandings and insure the proper directives on basic questions of foreign policy.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, Washington.

MY DEAR MR. ROCKEFELLER: As President of the United States I hereby direct you, as Coordinator of Inter-American Affairs, to formulate and execute a program to aid and improve the health, safety and general welfare of the peoples of Mexico, Central and South America and the outlying islands including the West Indies. The duties and responsibilities

in this connection will be to carry out measures for the control and prevention of disease, sanitation, sewage disposal, housing, improvement of food and water supplies, building of roads, highways, transportation facilities and public works, nutrition, general medical treatment and the education and training deemed necessary to achieve these objectives, together with such additional measures as you may deem necessary or advisable to protect the health, safety and general welfare of the inhabitants. In discharging these duties and responsibilities you are directed to work in cooperation with the State, War and Navy Departments and to utilize such other governmental, international and private facilities as you deem advisable in order effectively to carry out the program. You are further directed to consult with and cooperate to the fullest extent with the governments of and private agencies in Mexico, Central and South America and the outlying islands including the West Indies. For the discharge of the foregoing duties I have directed the Secretary of the Treasury to allocate to the Office for Emergency Management \$25,000,000.00 pursuant to my letter of February 20, 1942.

Please arrange to transmit copies of this letter to all interested Government departments and agencies.

Sincerely yours,

HONORABLE NELSON A. ROCKEFELLER,  
Coordinator of Inter-American Affairs, Commerce  
Department Building, Washington, D. C.

OFFICE OF THE COORDINATOR OF  
INTER-AMERICAN AFFAIRS

Deputy Coordinator of Inter-American Affairs

Designation and Delegation of Authority To Perform Duties  
and Functions of Coordinator

By virtue of authority vested in the Coordinator of Inter-American Affairs by Executive Orders Nos. 8840 (6 F. R. 3857) and 9116 (7 F. R. 2527), Wallace K. Harrison is hereby designated Deputy Coordinator of Inter-American Affairs and is hereby authorized as Deputy Coordinator, in the absence or unavailability of the Coordinator, to perform, and exercise all duties, powers and functions heretofore and hereafter authorized by law to be performed and exercised by the Coordinator, including the power to designate his successor or substitutes with like duties, powers and functions.

This authorization shall remain in effect until specifically revoked or modified by the Coordinator or the Deputy Coordinator and shall supersede the orders designating the Acting Coordinator of Inter-American Affairs, dated August 5, 1942 (7 F. R. 6156); February 26, 1944 (9 F. R. 2443); March 7, 1944 (9 F. R. 2670); and April 4, 1944 (9 F. R. 3717).

Dated: December 26, 1944.

NELSON A. ROCKEFELLER,  
Coordinator.

(F. R. Doc. 44-19706; Filed, Dec. 28, 1944; 1:51 p.m.)

EXECUTIVE ORDER CHANGING THE NAME  
OF THE OFFICE OF THE COORDINATOR  
OF INTER-AMERICAN AFFAIRS

By virtue of the authority vested in me by the Constitution and statutes as President of the United States, it is hereby ordered as follows:

The name of the Office of the Coordinator of Inter-American Affairs, established within the Office for Emergency Management of the Executive Office of the President by Executive Order No. 8840 of July 30, 1941, is changed to the Office of Inter-American Affairs. There shall be at the head of the Office of Inter-American Affairs a Director who shall be appointed by the President and who shall hereafter discharge and perform, under the direction and supervision of the President and in conformity with the foreign policy of the United States as defined by the Secretary of State through the Assistant Secretary of State in charge of relations with the American republics, all of the duties, powers, responsibilities and functions now discharged and performed by the Coordinator. The Director shall receive a salary at the rate of \$10,000 per annum and shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties. All prior Executive orders inconsistent with this order are amended accordingly. Wallace K. Harrison is hereby appointed Director of the Office of Inter-American Affairs.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
March 23, 1945.

EXECUTIVE ORDER PROVIDING FOR THE  
TERMINATION OF THE OFFICE OF WAR  
INFORMATION, AND FOR THE DISPOSITION OF ITS  
FUNCTIONS AND OF CERTAIN FUNCTIONS OF  
THE OFFICE OF INTER-AMERICAN AFFAIRS

By virtue of the authority vested in me by the Constitution and Statutes, including Title I of the First War Powers Act, 1941, and as President of the United States, it is hereby ordered as follows:

1. Effective as of the date of this order:

(a) There are transferred to and consolidated in an Interim International Information Service, which is hereby established in the Department of State, those functions of the Office of War Information (established by Executive Order No. 9182 of June 13, 1942), and those informational functions of the Office of Inter-American Affairs (established as the Office of the Coordinator of Inter-American Affairs by Executive Order No. 8840 of July 30, 1941 and renamed as the Office of Inter-American Affairs by Executive Order No. 9532 of March 23, 1945), which are performed abroad or which consist of or are concerned with informing the people of other nations about any matter in which the United States has an interest, together with so much of the personnel, records, property, and appropriation balances of the Office of War Information and the Office of Inter-American Affairs as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred. Pending the abolition of the said Service under paragraph 3(a) of this order, (1) the head of the Service, who shall be designated by the Secretary of State, shall be responsible to the Secretary of State or to such other officer of the Department as the Secretary shall direct, (2) the Service shall, except as otherwise provided in this order, be administered as an organizational entity in the Department of State, (3) the Secretary may transfer from the Service, to such agencies of the Department of State as he shall designate or establish, any function of the Service, and (4) the Secretary may terminate any function of the Service, in which event he shall provide for

the winding up of the affairs relating to any function so terminated.

(b) There are transferred to the Bureau of the Budget the functions of the Bureau of Special Services of the Office of War Information and functions of the Office of War Information with respect to the review of publications of Federal agencies, together with so much of the personnel, records, and property, and appropriation balances of the Office of War Information as the Director of the Bureau of the Budget shall determine to relate primarily to the said functions.

(c) All those provisions of prior Executive orders which are in conflict with this order are amended accordingly. Paragraph 6 of the said Executive Order No. 8840 and paragraphs 3, 6, and 8 of the said Executive Order No. 9182 are revoked.

2. Effective as of the close of business September 15, 1945:

(a) There are abolished the functions of the Office of War Information then remaining.

(b) The Director of the Office of War Information shall, pending the abolition of the Office of War Information under paragraph 3(b) of this order, proceed to wind up the affairs of the Office relating to such abolished functions.

3. Effective as of the close of business December 31, 1945:

(a) The Interim International Information Service, provided for in paragraph 1(a) of this order, together with any functions then remaining under the Service, is abolished.

(b) The Office of War Information, including the office of the Director of the Office of War Information, is abolished.

(c) There are transferred to the Department of the Treasury all of the personnel, records, property, and appropriation balances of the Interim International Information Service and of the Office of War Information then remaining, for final liquidation, and so much thereof as the Director of the Bureau of the Budget shall determine to be necessary shall be utilized by the Secretary of the Treasury in winding up all of the affairs of the Service.

HARRY S. TRUMAN.

THE WHITE HOUSE,  
Aug. 31, 1945.

EXECUTIVE ORDER TERMINATING THE OFFICE  
OF INTER-AMERICAN AFFAIRS AND  
TRANSFERRING CERTAIN OF ITS FUNCTIONS

By virtue of the authority vested in me by the Constitution and statutes, including Title I of the First War Powers Act, 1941, and as President of the United States, it is hereby ordered as follows:

1. The Office of Inter-American Affairs (established as the Office of Coordinator of Inter-American Affairs by Executive Order No. 8840 of July 30, 1941, and renamed the Office of Inter-American Affairs by Executive Order No. 9532 of March 23, 1945), hereinafter referred to as the Office, is terminated.

2. There are transferred to the Secretary of State all functions of the Director of the Office with respect to the following-named corporations, namely, the Institute of Inter-American Affairs, the Inter-American Educational Foundation, Inc., the Institute of Inter-American Transportation, the Inter-American Navigation Corporation, and Prencinradio, Inc., together with all rights and interests, authority, and obligations of the Director and of his predecessors with respect to such corporations. All other functions of the Director are terminated. The Director shall, prior to the effective date of this order, take such steps as may be appropriate and

necessary on his part to effectuate the provisions of this order, including the turning over to the Secretary of State of the capital stock of the said corporations.

3. There are transferred to the Department of State (a) all of the functions of the Office with respect to the aforesaid corporations, (b) the duty of winding up any affairs relating to the Office and functions terminated by this order which shall remain unliquidated on the effective date of this order, (c) the records, property, and funds of the Office, and (d) so much of the personnel of the Office as shall remain therein on the effective date of this order. All other functions of the Office are terminated.

4. As soon as possible after the promulgation of this order the Secretary of State shall furnish the Director of the Office a list of such of the personnel of the Office as the Secretary

shall determine to be required by the Department of State for the purpose of carrying out the provisions of this order; and the Director shall, prior to the effective date of this order, separate from the service or transfer to other Government agencies the personnel of the Office excluded from such personnel list.

5. Except as otherwise provided in this order, the provisions hereof shall take effect as of the opening of business May 20, 1946.

6. All provisions of prior Executive orders in conflict with this order are amended accordingly.

HARRY S. TRUMAN.

THE WHITE HOUSE,  
April 10, 1946.

☆ U. S. GOVERNMENT PRINTING OFFICE, 1947—695229