CHAPTER V.

ECA Organization

The Economic Cooperation Act of 1948 defines the three principal divisions of the organizational structure of the Economic Cooperation Administration in connection with the European Recovery Program: the Administrator in Washington, who heads the entire enterprise; the United States Special Representative in Europe, who has responsibility under the Administrator for carrying out and supervising ECA activities in the field and is the chief representative of the United States to the OEEC; and a special ECA mission in each of the participating countries.

A. THE ECA OVERSEAS.

The work of the Office of the United States Special Representative in Europe (OSR) and of the ECA Special Missions in each of the participating countries centers in efforts to promote self-help and mutual aid on the part of the participating countries, to assess Europe's deficiency requirements for which the participating countries must seek aid from the United States, and to help assure that aid from the United States is used with maximum effectiveness.

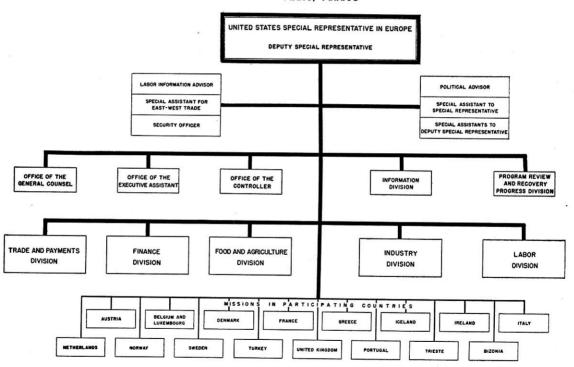
When this work relates to problems within a single country, for which the solution must be found wholly or primarily in the efforts of that country, the focus of responsibility is in the ECA Country Mission. When the problems involve more than one country, or are such that the solutions require action by more than one of the participating countries, the focus of responsibility is in the Office of the Special Representative.

The characteristic, and most significant, example of this latter aspect of the work of the Special Representative is his relationship to the OEEC to which he is, in the language of the Act, "the chief representative of the United States Government." The Special Representative also exercises general supervision, on behalf of the Administrator, over the Country Missions. In addition, he serves as the representative of the United States on the Economic Commission for Europe.

It has often been pointed out that ECA aid to Europe during the fiscal year 1949 represents about 5 percent of the gross income of the participating countries. Plainly, therefore, the core of the job of putting Europe on its feet must be done by the European nations themselves in the utilization of the resources of Europe. This self-help includes the accurate diagnosis of the difficulties which must be mastered, the development of policies appropriate to the need thus revealed, and the effective execution of these policies. It includes efforts to increase

ECONOMIC COOPERATION ADMINISTRATION

OFFICE OF THE SPECIAL REPRESENTATIVE PARIS, FRANCE



production and productivity, to control inflation, to hold labor disputes to a minimum, to reduce unessential imports, and to increase exports, especially to dollar areas. Measures to bring about widespread dissemination within each country of technical knowledge and best practices within fields of industry, labor, agriculture, government, and finance are also involved.

Work of this kind is, of course, primarily the responsibility of the participating countries, but there is perhaps no task of the OSR and the Country Missions more important than that of encouraging and assisting the governments of the participating countries to the fullest extent possible in meeting these responsibilities. This requires the kind of understanding which can only be acquired by painstaking and continuous observation, and by intimate and straightforward exchanges of views on the ground. This process of observation and exchange also enables the Chiefs of the Country Missions and the Special Representative more effectively to carry out another function, implicit in the nature of their duties—to serve as the regular channel of communication between the Administrator and the governments of the participating countries, and between the Administrator and the OEEC.

Mutual aid among the participating countries is a projection of selfhelp. It is, in fact, self-help by Western Europe as a whole. Europe cannot attain the stability and vigor which are the objectives of the Economic Cooperation Act without a steady deepening and extension of cooperative effort. Here again, the responsibility is that of the participating countries; and here again, no task of the Office of the Special Representative and of the Country Missions is more important than that of promoting and assisting cooperative developments in every way that is both practicable and appropriate. It is in this sphere particularly that full and constant interchange not only between the participating governments and the ECA field organization but also between the U. S. Special Representative and the Chiefs of the ECA Country Missions is essential. There has been steady progress in working out this kind of interchange through reciprocal visits, group staff meetings, and reports. The furnishing of experts, visits of specialists of one country to review experience in another, and mutual efforts to increase technical knowledge, under the ECA technical assistance program, constitute a promising form of mutual aid.

In Chapter II, the process by which the individual participating countries prepare their estimates of their requirements for American aid, and the OEEC attempts to review and adjust these on a comprehensive basis, has been described. The estimates of the individual countries are reviewed by the Country Missions, and the comprehensive programs worked out by the OEEC are reviewed by the OSR. It is the particular responsibility of the Country Missions and the OSR to utilize their on-the-spot knowledge to review these estimates in terms of their validity as requirements. With this in view, the Country Missions and the OSR seek to determine the urgency of the stated needs, how far it would promote the objectives of the Act to meet them, how much effort the particular country has itself made to meet the needs, and how far

the requirements could be met by increased trade or cooperation among the participating countries themselves. This work is done in two phases: first, day-to-day contact with the appropriate departments and agencies of the participating governments, and with the Committees of the OEEC, largely on a staff basis and to considerable extent on an informal basis; and second, the formal critique of the final documents. The OEEC estimates are transmitted to Washington with the recommendations of the Country Missions and the Office of the Special Representative. After further review by the ECA staff in Washington, they are laid before the Administrator for his consideration and use in determining the program of United States assistance.

As aid is supplied, the Country Missions and the OSR seek to determine how fully and effectively it is used. This involves not only procedures for checking the "end-use" of particular shipments or groups of shipments, but also inquiry into the effect of larger national policies and practices, such as financial and trade policies and practices, upon the utilization of aid, and analysis of actual trends in relation to the forecasts of requirements.

The OSR organization created to cope with these responsibilities is shown in the accompanying chart. On December 31 the American personnel of OSR numbered 407.

The size and organization of the Country Missions varies from country to country in accordance with the size and nature of the problem. Of the largest missions, those in Italy, the United Kingdom, and France had staffs of 45, 62, and 87 on December 31, while the mission in Greece, because of its history and the special nature of the complex activities required, was even larger (129). The smallest missions, with staffs of less than ten persons, draw heavily upon the local Embassy or Legation staffs for professional as well as administrative assistance.

The principal operating and staff divisions of the OSR are: the immediate Office of Special Representative; the Office of the Deputy Special Representative; the Divisions of Industry, Food and Agriculture, Labor, Trade and Payments, Finance, Program Review, Information, and Labor Information; and the Offices of the General Counsel, the Controller, the Executive Assistant (who supervises administrative services), and the Special Assistant for East-West Trade. The organization of the larger Country Missions approximates this same pattern with appropriate variations. The administrative services division of OSR, operating under considerable delegation of authority by the Administrator to OSR, assists in the many aspects of the work of the OSR and the Country Missions in which decisions are made by them within broad policies defined by the Administrator.

B. THE ECA IN WASHINGTON.

The Administrator, with the assistance of his Washington staff, determines questions of broad ECA policy and, in cooperation with other agencies of the United States Government, endeavors to insure that the European Recovery Program, in its development, is consistent with the basic policies and interests of the United States. In an enterprise as

important and far-reaching as the ERP, these fundamental decisions must be made in close cooperation with other agencies of the Government and in close contact with the President and the Congress.

While the participating countries and the OEEC are formulating their plans and requests, these are reviewed by the ECA country missions and by the Office of the Special Representative to determine the extent to which the aid requests are justified and effective use can be made of American help in Western Europe. After these European programs and the recommendations of the overseas staff of the ECA are received in Washington, they are evaluated here by the Administrator and his staff in terms of the basic policies and views of the ECA in particular and of the United States Government in general. The Administrator is responsible for the final determination of the program of United States aid and of the allotment of this aid among the participating countries.

In cooperation with other United States Government agencies, the Washington staff of the ECA also determines the availability of supplies from the United States and elsewhere, and authorizes the procurement of commodities with ECA funds in such a manner as to protect the economy, resources, and strategic interests of the United States. Lastly, the Washington staff undertakes such economic research and analysis as can best be done with the facilities available in Washington, to serve as the basis for the determination of United States policy with respect to the ERP and as the framework for an independent United States appraisal of the programs of the participating countries and the OEEC.

To perform these and related functions the Washington headquarters of the ECA had a staff, not yet completed, numbering 842 persons on December 31. The structure of the organization is shown in the accompanying chart.

The programming responsibilities of the ECA in Washington are centered in the Assistant Deputy Administrator for Program and the divisions under his direct supervision: Fiscal and Trade Policy, Program Coordination, Food and Agriculture, and Industry, and the Program Methods Control Staff. The Fiscal and Trade Policy Division, in cooperation with other United States Government agencies, is primarily responsible for reviewing the measures taken by the participating countries and the OEEC with respect to intra-European trade, convertibility of currencies, exchange rates, the use of monetary funds, and investment, fiscal and monetary policies and practices generally, from the standpoint of the views and interests of the United States and the basic ECA policies determined by the Administrator. In addition, the Fiscal and Trade Policy Division undertakes research into and analysis of those fiscal and trade problems which it is in a better position than the overseas staff of the ECA to undertake.

The Program Coordination Division, which is organized on a country basis, reviews, in cooperation with other United States Government agencies, the recovery programs and progress of the participating countries and the OEEC, in the light of basic policies of the ECA and of the United States Government. It recommends to the Assistant

Deputy Administrator for Program, and through him to the Administrator, the allotment of ECA funds to be made to each participating country both by quarters and on an annual basis. This Division provides guidance to the ECA country missions on ECA and United States Government policies with respect to the several countries in the ERP. It also undertakes considerable economic research and analysis on those country problems which can be studied by the ECA staff better in Washington than abroad.

The Divisions of Food and Agriculture and of Industry consist of the commodity experts needed in the review of country programs and in the ECA's supervision of procurement with United States aid funds. In cooperation with other United States Government agencies, they review the recovery programs of the participating countries in terms of the possibilities for increasing agricultural and industrial production in Western Europe and dependent overseas territories, and they evaluate the effective use of land and of industrial plants and the improvement of farming practices and industrial methods by the participating countries. These Divisions also check the proposed imports of agricultural and industrial commodities by the participating countries in the light of relative needs, and of availabilities in the United States and in other sources of supply. The quarterly supply programs of each participating country, covering their intended procurement with ECA funds, are prepared in these two Divisions. They help to determine the types, quantities, values, and sources of commodities to be bought with ECA funds and prepare the master copies of the procurement authorizations which are issued to the participating countries. Divisions also determine the amendment or cancellation of procurement authorizations already outstanding. In cooperation with other Government agencies, they are responsible for the protection of the domestic economy of the United States. Also, the Division of Food and Agriculture has special responsibilities resulting from the application of subsections 112(c)-(f) of the Act.

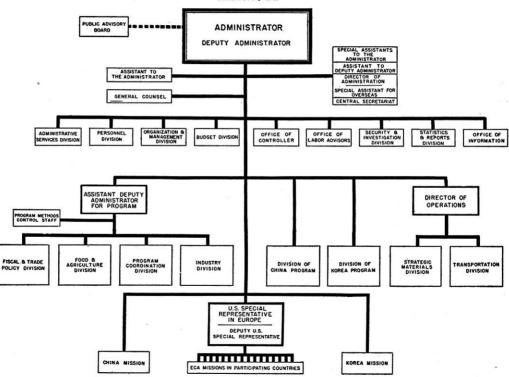
The organization for other ECA operations and staff activities is as follows:

The Director of Operations supervises the Transportation Division which is responsible for maintaining liaison with the Maritime Commission and for compliance with the United States flag vessel requirements of the Act, and the Strategic Materials Division, which is concerned with the encouragement of geological exploration of new deposits of strategic minerals and of private development of mining and refining facilities and with the procurement and delivery of strategic materials to the United States. The Director of Operations also directs the labeling of ECA-financed supplies, arranges for the payment of ocean freight charges on private relief shipments to participating countries; encourages, in cooperation with the Department of Commerce, European travel by United States citizens; and supervises the instruction of foreign technical personnel and other forms of technical assistance provided by the Act.

The staff and service functions of the ECA in Washington are performed by: the Assistant to the Deputy Administrator, who is a

ECONOMIC COOPERATION ADMINISTRATION NEADQUARTERS

WASHINGTON, B. C.



major policy-making official of the Administration; the Office of the General Counsel; the Director of Administration, under whom are a Special Assistant for Overseas Administration and Divisions for Administrative Services, Organization and Management, Budget, and Personnel; the Congressional Liaison Office; and the Security and Investigation Division. The Controller is responsible for end-use follow up as well as handling and accounting for financial transactions in connection with the execution of programs. The Assistant to the Administrator administers the loan and guaranty provisions of the Act. The Office of Information, the Office of Labor Advisers, and the Division of Statistics and Reports perform important service and operational functions in their respective fields.

C. ECA RELATIONS.

1. Relations with Other Government Agencies and with International Agencies.

Because of the varied and far-reaching nature of the ERP, the activities of the ECA require close cooperation with other United States Government agencies, both in Washington and in the field, in working out common policies and in utilizing to the fullest extent existing departmental resources. The Act itself specifies certain relationships with the Department of Agriculture, which advises the ECA what agricultural commodities are in domestic surplus supply; with the Department of Commerce, which promotes, on behalf of the ECA, the travel of Americans to Europe; the Export-Import Bank, which administers loans and industrial guaranties approved by the ECA; and with the Departments of State and Treasury. The Act further provides that the Administrator shall participate in the National Advisory Council on International Monetary and Financial Problems, with which the ECA consults on the loan-grant division of assistance, on the use of local currency counterpart funds, and other policy matters.

Since the program of ECA aid is an important implementation of United States foreign policy, relations between the ECA and the Department of State are particularly close. The ECA staff in Washington and the staff of the Department of State are in daily contact on many problems of common interest. In the field, close working arrangements have been established between the ECA missions and the diplomatic missions in the participating countries. There is also close cooperation between ECA's information offices abroad and the Department's United States Information Service and Voice of America. The ECA has utilized with great advantage the provision in the Act which authorizes the appointment by the Secretary of State, where recommended by the Administrator, of overseas staff members of the ECA to the Foreign Service Reserve and Staff Corps. In administrative matters, the utilization of the diplomatic missions' overseas staffs and facilities avoids wasteful duplication in housekeeping arrangements. pay and personnel, space, cable communications, guard services, and translation work.

The ECA participates in a number of interdepartmental committees under the chairmanship of the Department of Agriculture or the Department of Commerce which consider the requirements of the participating countries for agricultural and industrial commodities. The granting of procurement authorizations by the ECA is closely integrated with the export allocations established by the commodity committees and with export licenses issued by the Department of Commerce. Through the Department of Commerce the ECA supplies to businessmen information concerning approved quarterly supply programs, procurement authorizations issued, and other pertinent material.

The Federal Bureau of Investigation assists the ECA in ascertaining and verifying the loyalty of prospective ECA employees; the Post Office Department helps to administer the provisions for the payment of ocean freight on private relief supplies; and the Labor Department, the Federal Security Administration, and the War Assets Administration assist in other aspects of the program.

Close association has been developed, both in Washington and in Europe, between the ECA and the United Nations and related international agencies. The International Labor Organization, the International Refugee Organization, and the European Migration Movements Committee in Rome are assisting in the utilization of European labor. The United Nations Economic Commission for Europe, the International Bank, the Monetary Fund, the International Emergency Food Committee of the Council of FAO, and other international agencies also cooperate with the ECA in the promotion of European recovery.

2. Relations with the Congress and with Advisory Groups.

The Act established a Joint Committee on Foreign Economic Cooperation "to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs." The Administrator and his staff, both overseas and in Washington, have consulted frequently with the members of the Committee, the Agent-General, and the Committee staff. A Special Assistant to the Administrator has been designated as the liaison officer with the Congress and its Committees.

The Administrator consults regularly with the Public Advisory Board, which is comprised of United States citizens of broad and varied experience appointed, pursuant to the Act, by the President, with the consent of the Senate, to advise on general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Administrator on May 21 appointed the Advisory Committee on Fiscal and Monetary Problems to advise him on the fiscal and monetary aspects of the recovery program.

On August 24 the Administrator appointed an Industrial Advisory Committee of leading American industrialists to advise him concerning the capital equipment scheduled for removal from Western Germany which, if retained, would most effectively serve the purposes of the European Recovery Program. In the fall of 1948 the Anglo-American Council on Productivity, consisting of representatives of management and labor in each of the two countries, was formed for the purpose of furthering the program for increasing productivity in the United Kingdom.

3. Relations Between ECA-Washington and Government Technical Missions.

In order to promote the development of the ERP as a cooperative effort on the part of the participating countries, the ECA has repeatedly emphasized that national programs should be developed, not in Washington, but by the participating countries with the advice of the ECA country missions and that combined recovery programs should be developed by the OEEC in Paris with the advice of the OSR. As a consequence, the ECA has not generally dealt with the Washington missions of the participating countries on problems involved in the long-range and annual programs. It has dealt with these missions, however, in many operating details, particularly in relation to the quarterly supply programs. The local government missions are often able to supply necessary technical information in the implementation of the quarterly programs, such as the specifications of the commodities to be purchased.

The local government missions have also been helpful in the satisfactory working out of the terms of letters of commitment on the basis of which banks and suppliers establish credits for the participating countries, the types of documentation to be submitted by the participating countries in support of their purchases as a basis for ECA reimbursement, and numerous related administrative difficulties.

For the above reasons and because of the large number of ECA-financed transactions through private trade channels, the ECA program has minimized the need of participating governments to maintain in Washington purchasing-mission personnel customary during the war and under previous aid programs.

D. ECA PERSONNEL.

Following is a list of top ECA personnel in the Washington headquarters, the Office of the Special Representative in Paris, and the ECA Special Missions to the ERP areas, on February 1, 1949.

ECA IN WASHINGTON

Administrator
Deputy Administrator
Special Assistant to the Administrator
Special Assistant to the Administrator
(Congressional Liaison)

(Congressional Liaison)
Assistant to the Administrator
Assistant to the Deputy Administrator
General Counsel

Paul G. Hoffman Howard Bruce Samuel D. Richards J. J. Wadsworth

Wayne C. Taylor C. Tyler Wood A. I. Henderson Director of Administration
Special Assistant for Overseas
Executive Secretary, Central Secretariat
Assistant Deputy Administrator
Director, Fiscal & Trade Policy Div.
Director, Food & Agriculture Div.
Director, Industry Division
Director, Program Coordination Div.
Director, Program Methods Control Staff
Director, Administrative Services Div.
Director, Organization & Management
Div.
Director, Personnel Division

Div.
Director, Personnel Division
Director, Budget Division
Director, Division of China Program
Director, Division of Korea Program
Controller
Director of Information
Labor Adviser
Labor Adviser
Director of Operations
Director, Strategic Materials Division
Director, Transportation Division
Director, Security & Investigations Div.
Director, Division of Statistics & Reports

Donald C. Stone
Alden W. Boyd
John Gange
Richard M. Bissell, Jr.
James A. McCullough
D. A. Fitzgerald
Samuel W. Anderson
Edward T. Dickinson, Jr.
E. E. Kunze
Orbun V. Powell
Harry H. Fite

Virgil L. Couch
Norman S. Taber
Harlan Cleveland
Edgar A. J. Johnson
E. L. Kohler
Neil Dalton
Bert M. Jewell
Clinton S. Golden
Aubrey H. Harwood
Evan Just
Arthur G. Syran
J. W. Yeagley
Nathaniel Knowles

OFFICE OF THE SPECIAL REPRESENTATIVE, PARIS

U. S. Special Representative in Europe Deputy Special Representative Political Adviser Special Assistant to the Special Representative Special Assistant for East-West Trades Labor Information Adviser to the Special Representative Personal Assistant to the Special Representative Special Assistant to the Deputy Special Representative General Counsel Controller **Executive Assistant** Director, Information Division Director, Program Review and Recovery Progress Division Director, Trade & Payments Division Director, Finance Division Director, Food & Agriculture Division Director, Industry Division

Director, Labor Division

W. Averell Harriman William C. Foster Philip Bonsal Col. C. H. Bonesteel

J. M. McDaniel, Jr. Harry L. Martin

Ambrose E. Chambers

John L. Tappin

Milton Katz George F. Brewer Leland Barrows Alfred Friendly Henry B. Arthur (Acting)

George A. Blowers (Acting) Arthur W. Marget Ben H. Thibodeaux George W. Perkins Boris Shishkin

MISSIONS IN PARTICIPATING COUNTRIES

ECA Special Mission to Austria

Chief of Mission Controller Information Officer Labor Adviser

Clyde N. King
Robert Dewey Pittman
John B. Wilson
Wesley Cook

ECA Special Mission to Belgium-Luxemburg

Chief of Mission
Program Review Officer
Trade & Industry Officer
Information Officer
Labor Adviser

James G. Blaine
John L. Haynes
Eric L. F. Archdeacon
John H. Tobler
Albert L. Wegener

ECA Special Mission to Western Germany

Chief of Mission
Deputy Chief of Mission
Assistant Chief
Controller
Information Officer

Averell W. Harriman N. H. Collisson Leo P. Nemzek Leon E. Smith Walter T. Ridder

The ECA is represented in the French Zone of occupation of Germany by Hector C. Prud'homme of the Department of State.

ECA Special Mission to Denmark

Chief of Mission
Program Review Officer
Finance Officer
Controller
Labor Adviser

Charles A. Marshall J. B. Lindeman Evan B. Hannay William M. McDermott John E. Gross

ECA Special Mission to France

Chief of Mission
Executive Officer
Controller
Information Officer
Chief, Office of Program Review
Chief, Finance Division
Chief, Food & Agriculture Division
Chief, Industry Division
Chief, Labor & Manpower Division
Labor Information Specialist

David K. E. Bruce
W. Lane Rehm
Andrew F. Patterson
John L. Brown
Robert J. Myers
William M. Tomlinson
Kenneth J. Nicholson
William E. Mitchell
Michael S. Harris
Richard Kelly

ECA Special Mission to Greece

Chief of Mission
Deputy Chief
Deputy for Operations
Director of Finance

John Nuveen, Jr.
John B. Blandford
K. R. Iverson
Spencer Phenix

Director, Industry Division
Director, Trade Division
Director, Food & Agriculture Division
Director, Labor & Manpower Division
Deputy Director, Labor & Manpower
Division

Labor Information Specialist
Transportation Adviser
Distribution Adviser
Public Welfare Adviser
Public Health Adviser
Acting Construction Adviser
Public Relations Officer
Director, Field Services Division
Government Organization Adviser
Program Review Officer
Controller

George J. Gillies, Jr. Philip F. Maguire, Jr. Paul A. Jenkins D. Allen Strachan

Joseph Heath
Thomas E. Frayne
James Glynn
C. B. Jones
Russell Drake
Dr. O. F. Hedley
DeForest McCauley
Dowsley Clark
George White
John O. Walker
Helene Granby
Richard L. Johnson

ECA Special Mission to Iceland

The ECA is represented in Iceland by Richard P. Butrick, Minister to Iceland.

ECA Special Mission to Ireland

Chief of Mission Program Review Officer Joseph E. Carrigan Paul J. Findlen

ECA Special Mission to Italy

Chief of Mission
Executive Officer
Controller
Chief, Information Division
Acting Labor Adviser
Labor Information Specialist
Chief, Office of Program Review
Chief, Food & Agriculture Division
Reclamation Specialist

James D. Zellerbach
Dominic J. Marcello
James Botwin
Andrew H. Berding
Tom Lane
James H. Toughill
Vincent M. Barnett, Jr.
Harry McClelland
William E. Corfitzen

ECA Special Mission to The Netherlands

Chief of Mission
Executive Officer
Information Officer
Program Review Officer
Industry Officer
Labor Adviser

Alan Valentine
John H. Humpstone
Julian Street, Jr.
Victor M. Longstreet
Alexander S. Keller
Lee R. Smith

ECA Special Mission to Norway

Chief of Mission
Program Review Officer
Finance Officer
Information Officer
Controller
Labor Adviser

Augustus E. Staley, Jr.
John D. East
Alice E. Bourneuf
Nedville E. Nordness
Gunnar A. Spangberg
John E. Gross

ECA Special Mission to Portugal

Chief of Mission

Labor Adviser

David L. Patten

ECA Special Mission to Sweden

Chief of Mission Executive Assistant Information Officer Program Review Officer Industry Officer

John H. F. Haskell Stephen C. Reynolds, Jr. C. Brooks Peters Edwin G. Arnold Samuel S. Auchineloss Victor J. Sjaholm

ECA Special Mission to Switzerland

The ECA is represented in Switzerland by John Carter Vincent, Minister to Switzerland.

ECA Special Mission to Trieste

Chief of Mission Assistant Chief of Mission Robert E. Galloway Joseph J. Caputa

ECA Special Mission to Turkey

Chief of Mission

Russell H. Dorr

ECA Special Mission to the United Kingdom

Chief of Mission
Deputy Chief of Mission
Executive Officer
Chief, Information Division
Chief, Import Requirements Division
Chief, Trade Division
Chief, Food & Agriculture Division
Chief, Industrial Division
Chief, Labor Division
Labor Information Specialist
Chief, Program Review Division
Controller

Thomas K. Finletter
Henry Siegbert
Frank L. King
Thomas W. Wilson, Jr.
Richard S. McCaffery, Jr.
Abbott L. Moffat
E. N. Holmgreen
Tremper Longman
James S. Killen
G. Warren Morgan
John M. Cassels
Alexander Ward