

March 24, 1947

The President
The White House
Washington, D. C.

My dear Mr. President:

Seldom does the chief of any state have an occasion to make a statement more momentous than was yours to Congress on March 12th. It is already a living document of historic significance.

Unlike the Monroe Doctrine, which barred European Empires from South America, and the Roosevelt Quarantine Doctrine, which barred economic aid to the Fascists, your doctrine in support of peoples who are desperately defending their freedom calls not for negative bars but for immediate positive action. In fact your new policy cannot succeed without energetic and effective administration.

You have already called the attention of the Congress and of the American people to your intention of sending teams of administrators, economists, technicians and military experts along with American financial aid. I can say from my observations that this policy is indispensable.

Four other administrative aspects strike me as of parallel importance. I take the liberty of mentioning them briefly. They are:

First: the importance of mobilizing in Washington all our resources as they focus upon Greece, on Turkey or on any other geographic area. Our government normally acts through the State Department, the War Department, the Department of Commerce, the Department of Agriculture, the Treasury, etc., etc., and also through the Bank, the Fund and other agencies. Such separate units can work together in planning and clearing policies through the process of inter-agency discussion. But, Mr. President, your new program for Greece is administrative in character, and cannot be handled by a debating society of voluntary cooperators. (I am in no way looking for a job). It must have an administrator with authority to make it work.



Second: is the management and procurement in the U. S. market? Greece alone is not large, but when you add in British, French, Belgian, Czech and Occupation purchases you will reach a figure not far less than the Lend-Lease operation. This program will give us a long continued high level of employment whatever else happens. But there is danger of further inflationary pressure especially if procurements are left to competitive ingenuity of foreign buyers working in the open market. Export control is not enough.

Must we not have an expansion of the power of the government to manage these procurements through positive action, the establishment of priorities and allocation powers in certain sections of production, and the establishment of price control authority in relation to the foreign-aid program?

Third: I am deeply concerned over the effect of the new program on irreplaceable and wasting natural resources. Would it not be possible to develop manufacture and procurement so as to lean on foreign raw materials to a maximum degree by advance planning directed to this end?

Fourth: The Army and Navy should have the right to furnish any material on hand and replace it with new purchases where newly improved items are available.

Finally, may I urge again that considerable machinery and equipment payable to the U. S. and others as reparations can be taken out of Germany and Japan and put to work in Greece and other areas immediately. All that is needed is willingness to act by our occupation forces and technical personnel to handle installations and give operating instructions. The equipment is now mostly idle and deteriorating fast.

Respectfully,

Edwin W. Pauley

