

THE PEOPLE-TO-PEOPLE FOUNDATION, INC.  
45 West 45th Street  
New York, New York

CONFIDENTIAL INTER-OFFICE MEMORANDUM

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SUBJECT: THE PEOPLE-TO-PEOPLE PROGRAM DILEMMA  
As Of March 18, 1958

HOW WE GOT THIS WAY

- 1.- Lack of recognition of other important People-to-People activities when the program was launched, which caused omission of outstanding leaders in the field, particularly the major foundations, the Institute of International Education and similar active organizations, resulting in hostility and lack of support in places where it was most needed.
- 2.- Failure to provide adequate financing for the Committees before the program was announced.
  - a) Committee Chairmen were generally under the impression that they would not be expected to raise funds personally for their individual committees, hence their discussion to establish the Foundation as their correlating agency.
  - b) At their meeting of June 21st, 1957, Trustees rejected Mr. Larson's proposal that each Committee Chairman raise his own funds, with the Foundation responsible solely for its own budget.
- 3.- Failure to provide financing before Foundation was organized and publicized.
  - a) It is clear that none of the major foundations were sounded out in advance of public announcements.
  - b) Same as regards big corporations and wealthy individuals.

4.- Inadequate financing of the Foundation by a small grant from USIA instead of a contract that would have enabled the Foundation to do staff work for the Committees and otherwise promote the Program as a whole.

a) Record shows we asked for \$50,000 for the first two or three months to initiate the Foundation. IOC offered a six months grant of \$25,000.

b) Second grant of \$25,000 prolonged the anomalous status of the Foundation as a weak clearing house whose sole function was to be fund-raising and publicity for a program operated largely by IOC executive in the name of 42 independent autonomous committees. A few committees became operative with "seed money" grants by IOC.



5.- Tie-in of tax exempt status of the Foundation which required certification by USIA. Exemptions should have been secured for Foundation independently as an educational institution.

a) This caused serious objections by Religious, Radio-TV and other committees and unanimous action of Trustees on February 4th, changed original bylaws to make Foundation independent of any government agency.

b) This change jeopardized tax-exempt status of any committee which did not comply with certification provision.

6.- Over-optimistic assumption on the part of all concerned for getting \$5,000,000 almost immediately after establishment of this Foundation from the Ford Foundation.

a) We should probably have started with applications to smaller foundations and held top-level conversations with executives of the larger ones instead of working at staff level.

b) For so unique an enterprise, we should probably have had the services of a professional fund-raising organization, with the kind of preliminary analysis they make on all campaigns. Such an analysis might have discovered objections stated by the Ford Foundation Memorandum.

7.- Lack of consideration of our memorandum of May 30th to Mr. Larson and the several crucial points on which we asked for discussion.

8.- IOC's insistence upon a new presentation to the Ford Foundation, to be prepared by them, which caused another four months delay and further aggravated the situation with the Ford Foundation and resulted in a fourth turn-down.

9.- The cold reception of our appeal to the 500 big corporations to support the People-to-People Program as presently constituted and expressed views of several strong supporters of the President that the government should provide substantial initial financing for the project.

10.- The period of uncertainty between Arthur Larson's resignation and George Allen's assumption of the office which torpedoed our plans for People-to-People Year, including the reidentification of President Eisenhower with the Program. This is still a serious handicap.

AMONG OTHER THINGS WE NEED TO DO--

1.- Secure a contract through government - not necessarily USIA - for not less than \$400,000, preferably \$500,000, to enable us to employ a staff to initiate and carry through a program along the lines indicated in our memorandum of January 20th.

2.- Secure the assurance of USIA that they will not duplicate these efforts by directing the committees associated with the reorganized Foundation. It should be further understood and agreed that the policies set forth in the President's letter of January 25th shall be maintained, "that government (participation) should be limited to liaison only." And further, the Foundation should have the right to replace inactive Committee Chairmen with active ones who are amenable to the reorganized structure.







- 3.- Ask a committee of five or seven Trustees to work out the details of a reorganized Foundation conforming to the principles approved by the majority of the Committee Chairmen, (Trustees).
- 4.- Proceed with the plan, approved by President Eisenhower, of inviting 30 or 40 financial leaders to the White House and to become Trustees and members of a Financial Advisory Committee, which would be particularly responsible for the launching of a nation-wide campaign for members and funds. The President's identification with the program prominently and publicly is most essential at this time. Leaders of press, radio, TV and many others are holding back as they are uncertain about President's interest in the People-to-People Program.
- 5.- Employ a qualified organization to make a quick survey of work being done in the People-to-People field now, with an appraisal of projects likely to be most effective if employed on a mass scale by this Foundation.
- 6.- Appoint an Executive Committee to study all recommendations made by Committee Chairmen and recommend to the Board a limited number of projects on which to concentrate in the initial stages of this Program (a diffuse program is confusing and bewildering to the supporters and prospective participants alike).
- 7.- Get Trustees to adopt a set of criteria such as those enumerated in our evaluation memorandum of May 30 and encourage each committee to develop programs within this framework.

8.- To launch the program, secure members and funds, ask the Communications Group of Committees to outline and plan an extensive program employing both advertising and public relations to reach people of this country and abroad, i.e.,

a) Stimulate the organization of scores of People-to-People tours, such as the Harrisburg Patriot Tours and the Ad Men's American Legion Post Tour. Secure the cooperation of transportation and travel agencies in promoting People-to-People travel and tours and try to induce them to use People-to-People slogans in their advertising and literature.

b) Many service clubs send local students to study abroad. Ask Service Clubs and Fraternal Group Committees to push this, especially during the coming year. They could be called People-to-People scholarships or fellowships. Every community large enough to boast a single service club or fraternal organization could participate. This could be made two-way by bringing a student from some other country to each local community to study in a local high-school or a college, while their student is abroad.

c) Activate plans of the Civic Committee for Community Affiliations as an initial and unique step.

d) Step up the work started by the Speakers Committee to encourage nationwide participation at local levels.

e) Activate a PR program through every available agency and all media, especially Radio-TV, Magazines and Newspapers.

9.- Under the supervision of the Financial Advisory Committee, organize and undertake a fund-raising campaign for at least \$5,000,000. The government contract will serve as a backlog and insurance for continuity. (IIE maintains approximately a 50-50 balance between public and private funds.)

10.- Investigate possibility of financing counterpart groups with counterpart funds, now available abroad.