

January 18, 1956

General Lucius D. Clay
Continental Can Company
100 East 42nd Street
New York 17, N.Y.

Dear General Clay :

One of our mutual friends in the Department of State suggested that I send you a copy of my recent lecture before the Annual Meeting of the Association of American Law Schools in Chicago.

In this lecture I suggested a new approach to cooperation and coordination between American and European, especially German, private enterprises in regard to underdeveloped countries. I hope the short lecture shows why the Russian supply of technology to underdeveloped territories might be superior to our handling of Point Four programs on governmental level without the cooperation of private industry and without coordination between American and German or other European private industries.

I suggested especially the establishment of a joint American-German corporation for the purpose of joint operations in the underdeveloped territories such as Argentina and Pakistan. It seems to me that this opportunity gives us a unique chance to settle also the rather ticklish problem of the return of German property. I suggested that out of the Foreign Aid Fund the United States pay on account of the German property owners (in excess of \$10,000) the counter-value of about \$250 million. The German owners obtain shares in the new corporation. The other 50% of this corporation would go to American private interests, especially American firms directly interested in activities in countries as Argentina and Pakistan (these two merely used as examples for the type of countries involved). It would not be difficult to work out a method which would fully protect American interests.

By this method we would immediately obtain a very efficient working group of most active private enterprise which could become the nucleus of a Western program in regard to underdeveloped territories.

You know better than anyone else that, at this time, it is highly important to connect Germany closer to the West by joint programs in many territories of the world. I do not exclude the possibility that, in not too distant a future, we will have to consider such a coordination in regard to China if we do not want to take the risk of a serious split within the Western interests.

I hope that this paper is of some interest to you and your friends. Perhaps you have not forgotten that I had the great honor to prepare for you a good deal of the Stuttgart conference in which the Laenderrat, the predecessor of the present German government, was established in 1946. If you have a little time, I would like very much to discuss this plan with you.

With most sincere regards, yours,

encl.