

TELEPHONE CONVERSATION

Oct. 26, 1959

TO: Carl Harr, White House

FROM: DAF

Dr. Fitz said he was calling about Faith, Hope and Charity -- with emphasis on HOPE, and asked what was Mr. Harr's understanding of the situation now. Said he had a letter to Dr. Walsh of which a copy had been given to Mr. Harr. Dr. Fitz said we had indicated we should know definitively that they have six months operating expenses in hand before putting up \$1½ (?) million to rebuild the ship, and asked if that seemed reasonable to Mr. Harr.

Mr. Harr said when this was brought up several weeks ago, it was on the basis that we should know what the concept of financial assurance was. Said he had no independent judgment on this; when it was taken up with the Board it was to give ICA the assurance that whereas the Board felt we were pretty heavily indebted in going ahead on principle, so far as specific timing of funds and assurance that they would be forthcoming, this would be in the hands of ICA. I don't think I have any competence to make any independent judgment on that, Mr. Harr said. He also thought that Dillon had gotten into the act.

Dr. Fitz said yes, but it has never been spelled out for Dr. Walsh and the People-to-People Foundation or whatever it is as to what we felt was a reasonable position. Dillon or Bell, or both, have told us we need not be panicked in committing \$2½ million inappropriately. Frankly, the thing worrying him is the collection of support funds and pledges seems to be going very slowly. It has never been possible to get from Dr. Walsh and his people any figures at all. It apparently annoys him to be asked and he thinks it is none of ICA's business. Best info we have is about 3rd-hand thru the LIFE people that are interested. Latest indications are that only about \$200,000 has been collected in pledges and support funds altho Larson says a good deal more than that.....perhaps \$750,000. The time it is taking these people to collect what is not really a very large sum of money, Dr. Fitz said, makes him wonder whether this project has the public support it needs to continue.

Mr. Harr said he had something to add on that. With the introduction of the TIME people, there was introduced an element of policing of Walsh that is very pleasing. They have a pretty high-powered board now and won't go ahead themselves unless they have assurance that they will get the money. I think they are talking about \$1 million but your figure is higher than that. Dr. Fitz said about a million and a half, but it would take about \$3½ million to run it for a year. Mr. Harr mentioned that the asst. to Larson, who is master-minding this thing, is a personal friend of his of many years. He has taken a careful scrutiny of this and has reported it to the LIFE people. Mr. Harr saw him this weekend and asked him if he had the letter you are now referring to. He also mentioned to the asst. that he thought they were going to have a board meeting soon, and the asst. replied that there was supposed to be one between now and Nov. 15th but it has not been called as yet. Mr. Harr then told the asst. that ICA is interested in getting sound assurance on this before furnishing the money because they won't want to refurbish the ship, and he said their board will be wanting such assurance, too. Mr. Harr said he had a very low opinion of Dr. Walsh and that Dr. Walsh had a low opinion of ICA -- he has propoganda circulating

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that ICA has a "nigger in the woodpile" and is trying to get him.; Dr. Fitz said most of the people won't be on board for six months. Mr. Harr said the board was the first step in implementing the Great White Fleet. They have already told Walsh they won't get anywhere until he gets his organization set up. Mr. Harr concluded by saying he didn't think they could tell ICA how to spend its funds on this.

Dr. Fitz said in one respect we are in no violent rush on this because the money is available until next June. If we knew tomorrow that it would not be needed for this purpose, there would be many people with ~~bright~~ bright ideas for using it. He said this was the balance of the old Asia Redevelopment Fund which has been reappropriated for this purpose, and he would rather give them plenty of time to satisfy themselves as well as us that they have a sound deal cooked up.

Mr. Harr said it seemed to him that ICA should be in touch with the TIMES person, Edgar Smith. Mr. Smith came over to ICA and talked to our people, and they reported back that they were very glad to see him -- that he had been the first person to make sense. Mr. Harr said in order to avoid a letter writing operation that might get publicity, why not call him?

Dr. Fitz said he had a suspicion that the LIFE-TIME people would want to wait until their advertising campaign which is now scheduled for January gets underway before doing anything definite on this, but Mr. Harr said once they have gone this far they are pretty well in the soup. Dr. Fitz said dragging his feet now would cost the HOPE people time, and perhaps might inspire the board to move more rapidly than they otherwise would. Mr. Harr said the danger might be if this letter is sent along and Walsh in his irresponsible way gets a lot of adverse publicity, and the Hill gets alerted, this would make ICA look less than good; so perhaps it would be good to talk it over first and perhaps get some help from him. Said he thought Larson and his staff responsible people. Dr. Fitz said they sure were suckers, tho, for the Great White Fleet, and Mr. Harr replied this should convince him that the business side of TIME has nothing to do with the Editorial side! Said Ed Smith is in New York but would come to Wash. to discuss this with Dr. Fitz or perhaps he could just call on the phone whichever he preferred. Dr. Fitz said he would call Mr. Smith.

