

INTER-OFFICE CORRESPONDENCE

IADS
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OAP

FROM: LDS

DATE: October 13, 1981

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COMMENTS:

C O N F I D E N T I A L

DISC: LDS/MMS/NSR

SUBJECT: Cliff Hardin's Report on the Meeting of the IADS Executive Committee, Friday, October 9.

In the early afternoon Cliff Hardin stopped in my office to summarize the major conclusions derived from the Executive Committee meeting so that the two of us would have his personal account.

Cliff's first point was that ACM's performance as President was excellent. As a result of this meeting Cliff has completely revised his assessment of ACM's capabilities, and he is very encouraged about future leadership. In a confidential breakfast meeting that morning Cliff had met to discuss three candidates for a possible new position of full-time Chairman of the Board, with the idea that ACM's position would be downgraded. Cliff now feels that is no longer necessary.

ACM presented two alternative scenarios for the future of IADS: (a) Establishing a new profit-making corporation as a wholly-owned subsidiary to perform the contract activities and earn profits for IADS' nonprofit projects. The SSA approach. Bob Pennoyer met with the Executive Committee and assured them of the feasibility of this alternative. (b) Merger with Winrock - Cliff stated that he was surprised at the enthusiastic and unanimous support for this alternative. The Executive Committee authorized IADS Officers to initiate discussions with the officers of Winrock. The Winrock Board has not been informed of the interest, and it is important to keep the initiative in confidence until the meeting of the Winrock Board on April 5. (ACM later telephoned me to say that he had privately met with the Winrock President, Dick Wheeler, who was very enthusiastic about such a prospect, but they agreed on the need to keep the discussions confidential. ACM does not believe that a dowry is necessary because of IADS' impressive portfolio of future contracts - expected to rise to \$42 million by next month - and its proven ability to secure contracts.) While both of these alternatives appeared promising, the Executive Committee preferred the Winrock option.

Cliff's final point was that the IADS' Executive Committee discussed how they might contribute to the tragic food deficit in Africa. He feels strongly that a new private American initiative is critical, and he encouraged JAP and others to prepare a concept paper, with the thought that funding might be obtained from the Kellogg Foundation. (Russ Mawby is his former student.)

In response to my question about the Executive Committee's reaction to the RF position on future support to IADS, Cliff stated that it was very fair and almost exactly what he would have said himself. He is pleased that we are extending the \$1 million over a long enough period for IADS to realize self-sufficiency. He is sanguine that this will be possible by one of the two routes described above.

He also said that he and Martha would accept your invitation to the Trustees' dinner on December 7 at the Hotel Pierre.

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