SUBJECT: International agricultural development institute

In response to your question on the attached memo to Counsel, I can only say at this time that the magnitude of RF commitment to such an organization would depend largely on the strategy used to launch the organization. My own view is that the Foundation could, if it wished, launch this particular organization without involving other institutions since only start-up costs would be needed and the organization, if successful, would then be self-sustaining.

The maximum support needed from the Foundation might amount to $5-6 million over 4-5 years but, if launched, these funds should come out of the COH guideline of $35-44 million over the same period.

Now would seem to be the best possible time to create this organization because of growing commitments of nations and of funding agencies to support of national agricultural development efforts.

Were it possible to successfully establish this organization, and were it to develop a major capability to assist nations with their agricultural development programs (as RF did with Mexico, Colombia, India), it would have a far greater impact in this area of need than could the Foundation alone. This would mean then that the Foundation would have spun off into other institutions all of its agricultural interests except for pursuit of biological breakthroughs, some attention to regional programs, and other experimental ventures.

If this new organization were successful, the Foundation could, in my view, greatly reduce its investment in Conquest of Hunger because it would have created institutions which can do what the Foundation has done but with funds from the international community.

It is far too early to be precise about details of the organization. All I think we should do at the present time is to go ahead with feasibility studies,
leaving any decision regarding Foundation involvement until the study is well along.

My purpose in raising questions with Mr. Pennoyer now is simply to determine informally the legal constraints on organizational alternatives.

In my view, this move, if successful, could be one of the most important moves -- if not the single most important one -- made by the RF in Conquest of Hunger. The proposal needs more study before you, the Trustees, of any of us make any commitment to creation of an organization. On the other hand, your active interest in the idea is essential; until you are completely comfortable we should not go ahead with the study. At least six months' of work, involving discussions with many authorities outside the Foundation, would be required.

If you have any further questions, I should be pleased to discuss them with you.

S. W.