MEMORANDUM FOR MS. LLOYD:

Subject: Point IV

Saturday morning's talk with Clark Clifford on Point IV took an unexpected turn when the President walked in unannounced on us. He had nothing on his mind, was looking for someone to talk to, and when Clifford said we were talking about Point IV, he jumped right into the discussion.

Clifford summarized the facts as we understand them at this time; namely, that Judge Kee will reopen hearings on January 12. The State Department expects, during these hearings, to unveil its administrative plan. At Clifford's suggestion, I read short excerpts from the ATEA paper and the "brown book."

The President said that was not what he wanted at all. He said that he does not want Point IV under the State Department, that he has not yet made up his mind whether it should be a separate agency like ATEA or should be headed by a man reporting directly to him. The President expressed himself as being firmly determined against the "general manager" concept, which he understands to mean someone who would be submerged under Willard Straight.

The President asked for the ATEA paper and the brown book, and he said that he would talk this over with Dean Acheson Monday (i.e., January 9).

After the kick-off, the President needed no prodding from Clifford or from me, as his own views seemed pretty firm on all except the crucial point; that is, of course, the definitive administrative plan which must be presented to Acheson.

Yours,

George H. Shultz