SENATE

FRIDAY, MARCH 12, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, when we long for life without trials and work without difficulties, remind us that oaks grow strong in contrary winds and diamonds are made under pressure. With stout hearts may we see in every calamity an opportunity, and not give way to the pessimism that sees in every opportunity a calamity.

Knowing that Thou art still upon the throne, let us get on with the job on hand, doing the best we can and leaving the rest to Thee. Help us to show ourselves to be good workmen who need not to be ashamed, rightly dividing the word of truth.

This we ask in Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 11, 1948, was dispensed with, and the Journal was approved

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 11, 1948, the President had approved and signed the following acts:

S. 641. An act for the relief of Mrs. Roberta Flake Clayton;

S. 922. An act for the relief of Ruth Grossman;

S. 1031. An act for the relief of Antonio Zamora; Mrs. Antonio Zamora; Antonio Zamora, Jr.; Mrs. Juan Chavez; John Chavez, Jr.; Roland Chavez; Selso Trujillo; Dr. M. G. Wright; and the heirs of Keith Lane;

S. 1528. An act to authorize the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Treasury to accept and use gifts, devises, and bequests for schools, hospitals, libraries, cemeteries, and other institutions under the jurisdiction of the Department of the Army, the Department of the Navy, the Department of the Air Force, and of the Department of the Treasury, respectively, and for other purposes;

S. 1698. An act to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes; and

S. 1716. An act for the relief of Mrs. Iola Veach.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 155) to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes, in which it requested the concurrence of the Senate.

DEATH OF JAN MASARYK

Mr. LUCAS. Mr. President, Jan Masaryk, Foreign Minister of the Czechoslovak Government, is dead. Liberty-loving people throughout the world mourn his passing. They realize the great work he and his distinguished father, Tomas J. Masaryk, did in bringing to the Czechoslovak people a republic in which the torch of liberty burned brightly for many years. After returning from the 1947 United Nations Assembly meeting in New York, Masaryk said, "I am glad to be back with my little people." But, Mr. President, he returned during a communistic political crisis. He saw little of those little people he loved.

Czechoslovakia has lost a great champion of freedom and liberty, but his death, under somewhat peculiar circumstances, will cause the millions of people of Czechoslovakia and other people under the yoke of the Kremlin who love liberty better than they love their life to continue the fight with the full realization that they are right, and that some day they shall return to power.

America, too, has lost a friend. No one outside of this country was more devoted to the principles and ideals of the American democracy than Jan Masaryk.

Mr. VANDENBERG. Mr. President, I cannot let pass in silence the richly justified tribute to Jan Masaryk which has just been delivered by the able senior Senator from Illinois [Mr. LUCAS]. I simply wish to say that Jan Masaryk was my very dear and intimate friend. He was the great son of a historically great father. He died a martyr to the cause of liberty, to which he was a devoted servant.

I hope and pray he may not have died in vain.

JAMES LUKENS McCONAUGHY, LATE GOVERNOR OF CONNECTICUT

Mr. BALDWIN. Mr. President, I desire at this time to pay a brief tribute to a great public servant and a close personal friend.

On Sunday, March 7, 1948, James Lukens McConaughy, Governor of Connecticut, passed into the Great Beyond. He left behind him a name that will be long remembered for nobility of character, warmness of heart, and high achievement. A graduate of Yale University in the class of 1909, he served as a teacher at Bowdoin and Dartmouth Colleges until he was called to be president of Knox College in Illinois, the youngest college president at that time in the country. There he worked as an educator with such marked ability that his name and accomplishments received wide attention. In 1925 he accepted a call to assume the office of president of Wesleyan University in Middletown, Conn. There he labored for nearly 18 years, gathering about him and inspiring one of the best college faculties in the land. He added to the physical equipment of the college, increasing its endowments, and directing all with extraordinary administrative ability. He was frequently called upon to address college faculties, student meetings, and learned societies throughout the country. Many honors came to him, but they never turned his head or affected his human genuineness. He was a very happy combination of scholar and businessman.

Governor McConaughy early identified himself with the community in which he lived. He was able to lay aside his duties as a college president and teacher and mingle with all sorts of people on their respective terms. His was an understanding heart and a very sympathetic one.

While in Connecticut Governor McConaughy was active in civic affairs. He was a sound and constructive thinker and an able and forceful speaker. He possessed great qualities of leadership. In 1938 he was nominated and elected as Lieutenant Governor of Connecticut, and during the following regular session of the General Assembly he presided over the State Senate with such dignity, good judgment, and good humor that he greatly increased his already wide circle of friends in the State and brought new dignity to that important office. After one term as Lieutenant Governor he returned to Wesleyan but shortly took up the task of directing relief for China.

When war came he was called to serve as Civilian Deputy General to William J. Donovan, head of the Office of Strategic Services. In that position Governor McConaughy flew more than 100,000 miles to all parts of this country and the world, organizing and setting up plans for the instruction of agents. Shortly after the war's end, by appointment of the Secretary of the Navy, James Forrestal, he became chairman of the Civilian Advisory Committee to the Navy Department and worked on educational programs for the Navy. During the war years he worked courageously and tirelessly and undertook many hazardous missions which shortened his days, though he would never admit it. He threw his whole spirit and energy into the war effort.

He was elected Governor of Connecticut in the fall of 1946 by an unprecedented majority. While in that office he showed the same fidelity to public service, the same unusual administrative ability, and sense of high purpose that he had shown throughout his life in everything he did. In familiar Connecticut Yankee colloquialism, he "wore well," and the more people came to know him, the more they came to admire, respect, and love him. On the college campus, on the streets of the town where he lived, and in public life, he was affectionately called "Jim." The State of Connecticut and the Nation have lost a truly great American.

Mr. McMAHON. Mr. President, my colleague has paid a most eloquent tribute to a great citizen of our State. The late Governor McConaughy had a deservedly high reputation as an educator and as a public servant. He enjoyed the deep and abiding respect not only of those of his own political party who agreed with him in his political views and philosophy, but also of those of our citizens who adhere to the party of the opposition.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

I knew Governor McConaughy in his official capacity. He was kindly; he was considerate. I know that I echo the sentiments of my colleagues when I say that his death has caused great regret among the citizens of our State.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

RATIFICATION OF PROPOSED AMENDMENT TO CONSTITUTION RELATING TO TERM OF OFFICE OF PRESIDENT

The PRESIDENT pro tempore laid before the Senate a certified copy of a concurrent resolution of the Legislature of the State of Mississippi ratifying the proposed amendment to the Constitution of the United States relating to the term of the office of the President, which was ordered to lie on the table.

REPORT OF RAILROAD RETIREMENT BOARD

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith, for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1947.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 12, 1948.*

DISPOSITION OF EXECUTIVE PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a letter from Rev. Walter W. Van Kirk, secretary, the Federal Council of the Churches of Christ in America, New York City, N. Y., transmitting a petition signed by 700 leaders of the Protestant churches in the United States praying for the enactment of the so-called European recovery program, which was ordered to lie on the table.

PROTEST AGAINST CHANGE IN OLEOMARGARINE REGULATIONS

Mr. CAPPER. Mr. President, I have received a telegram from the Ark Valley Cooperative Dairy Association, of Hutchinson, Kans., expressing their opposition to any change in the present oleomargarine regulations. I ask unanimous consent to present the telegram for appropriate reference and request that it be printed in the RECORD.

There being no objection, the telegram was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

HUTCHINSON, KANS., *March 9, 1948.*

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

On behalf of over 1,700 Kansas farm families which comprise the membership of our dairy association we urge you to give your full support in opposing any change in the present margarine regulations. These farm families depend on the income from the sale of dairy products for a large portion of their livelihood.

ARK VALLEY COOPERATIVE DAIRY ASSOCIATION.

PROHIBITION AGAINST LIQUOR ADVERTISING

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a fine article written by Frank E. Gannett on the subject of liquor advertising. The article appeared in the March issue of the National Temperance Digest. Mr. Gannett is the publisher of more than 20 papers and has, for many years, refused liquor advertising.

There being no objection, the article was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Believing that the use of alcoholic beverages is harmful both to the individual and to society, I cannot consistently accept beer and liquor advertising in the newspapers that I control. Naturally, as a newspaper publisher, I believe in the power of advertising. It is probably the most potent force today in selling goods and services. The purpose of all advertising is to increase sales of the product advertised, but I believe the present type of flamboyant advertising of liquor is stupid and antisocial. If the liquor interests were wise, they would be less aggressive in their promotional methods.

Figures for last year show that the consumption of alcoholic beverages hit an all-time high of well over $8,000,000,000. I have no doubt that this great increase in the consumption of intoxicating liquor is largely the result of advertising. I believe there is a general, unfavorable reaction to this high-pressure method of promoting drinking and that more and more readers will demand newspapers free from this class of advertising. As the head of one of our large department stores told me, he would not want his place of business next to a cocktail lounge or saloon. "Nor," he said, "would I want my advertising in your papers to appear next to ads for liquor."

Personally, I don't want to have any part in the business of promoting the sale of alcoholic beverages. I don't want any part in the responsibility of increasing the consumption of such beverages.

In my opinion, a paper that goes into the home should be fit for the home, fit for reading by every member of the family. I doubt if any parent would want to see his children developing the drinking habit as might be in the case if ads in our daily papers kept pounding home messages that appeared to make drinking alluring, claiming that it would increase sophistication, popularity, or add enjoyment to social gatherings.

Although our policy of not accepting liquor advertising has been in effect for a long time, scarcely a day passes without our receiving from some reader commendation for the position we have taken. It is difficult to estimate accurately how much our advertising revenue could be increased should we accept liquor advertising, but it probably would be around a million dollars a year. However, no matter how large the sum might be, we will not change the policy of the Gannett newspapers, for it is my firm belief that no progress will ever be made against the liquor traffic until the advertising of liquor is prohibited everywhere.

REPORT OF COMMITTEE ON APPROPRIATIONS

Mr. REED, from the Committee on Appropriations, to which was referred the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, reported it with amendments, and submitted a report (No. 984) thereon.

REPORT ON ORGANIZATION OF FEDERAL DEPARTMENTS AND AGENCIES (REPT. NO. 983)

Mr. AIKEN, from the Committee on Expenditures in the Executive Departments, submitted its third organization report relating to organization of Federal executive departments and agencies, which was ordered to be printed.

TRANSFER OF REMOUNT SERVICE FROM WAR DEPARTMENT TO DEPARTMENT OF AGRICULTURE—AMENDMENTS

Mr. MORSE. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report certain amendments to the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture, heretofore reported from that committee without amendment, and now on the Senate Calendar. I request that the bill be reprinted showing the reported amendments.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REORGANIZATION PLAN NO. 1 OF 1948—MINORITY VIEWS (PT. 2 OF REPT. NO. 967)

Mr. JENNER submitted minority views on behalf of himself, Mr. IVES, and Mr. TAFT, as members of the Committee on Labor and Public Welfare, on the concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1948, heretofore reported from the Committee on Labor and Public Welfare, which were ordered to be printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERTON:

S. 2296. A bill to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out

the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes," approved June 3, 1924, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CAIN:

S. 2297. A bill to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the Federal Government, to amend the Public Buildings Act of 1926, to provide certain additional authority needed in connection with the operation of Federal public buildings, and for other purposes; to the Committee on Public Works.

By Mr. LANGER:

S. 2298. A bill to abolish the village delivery service of the Post Office Department; to transfer village carriers to the city delivery service; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BREWSTER:

S. 2299. A bill for the relief of Ella L. Browning; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2300. A bill to increase all benefits under the Railroad Retirement Act, as amended; to the Committee on Labor and Public Welfare.

S. 2301. A bill to amend the Social Security Act to authorize public assistance grants for medical services and for persons in certain public institutions, and for other purposes; to the Committee on Finance.

By Mr. O'MAHONEY:

S. 2302. A bill to authorize completion of construction and development of the Eden project, Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. STEWART:

S. 2303. A bill for the relief of Mickey Baine; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 2304. A bill for the relief of Walter Paterson, doing business as the Paterson Steel & Forge Co.; to the Committee on the Judiciary.

By Mr. MORSE:

S. J. Res. 196. Joint resolution to provide for a suitable and adequate system of timber access roads to and in the forests of the United States; to the Committee on Agriculture and Forestry.

SOUTHERN STATES COMPACT ON REGIONAL EDUCATION—WITHDRAWAL OF NAME OF SPONSOR

Mr. COOPER. Mr. President, on February 25 Senate Joint Resolution 191, giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948, was introduced by a number of Senators, including myself. Today hearings were started on the joint resolution by a subcommittee of the Committee on the Judiciary, and for reasons which I expressed before the subcommittee, I now ask that my name be withdrawn as one of the sponsors of Senate Joint Resolution 191.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TITLES TO LANDS AND RESOURCES BENEATH NAVIGABLE WATERS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 1988) to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources, which was referred to the Committee on the Judiciary and ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. REED submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, the following amendment, namely: On page — after line — insert a new paragraph as follows:

"Valuation of pipe lines: For deposit in the Treasury of the United States to the credit of a working capital fund to be designated as the pipe-line valuation fund, all deposits in which shall be available for obligation and disbursement until expended, without fiscal-year limitation, for all expenses necessary to carry out, with respect to pipe-line companies, the provisions of section 19a of the Interstate Commerce Act, as amended, for the valuation of all property owned or used by common carriers and extensions, improvements, retirements, or other changes made in the condition, quantity, use, and classification of such property, $60,000: *Provided*, That such provisions shall not be carried out with respect to any such pipe-line company unless it shall agree to pay to the Interstate Commerce Commission, for deposit in the pipe-line valuation fund, such sum as the Commission shall determine to be necessary to provide full reimbursement for the expenses of carrying out such provisions."

Mr. REED also submitted an amendment intended to be proposed by him to House bill 5214, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. REED submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, the following amendment, namely: On page 22, line 5, after the figures "$875,000", insert ": *Provided*, That no part of this appropriation shall become available unless and until title to the land upon which said institute is to be constructed shall have been conveyed to the United States: *Provided further*, That, notwithstanding the provision of any other law, all buildings and equipment constructed or acquired with funds herein appropriated or under authority to contract shall, upon the establishment of the institute, be the property of the United States."

Mr. REED also submitted an amendment intended to be proposed by him to House bill 5214, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

HOUSE BILL REFERRED

The bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 155) to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes, was referred to the Committee on Banking and Currency.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CAIN in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Ernest Gruening, of New York, to be Governor of the Territory of Alaska, which was referred to the Committee on Interior and Insular Affairs.

CONSULAR CONVENTION BETWEEN UNITED STATES AND REPUBLIC OF COSTA RICA—REMOVAL OF INJUNCTION OF SECRECY

As in executive session,

The PRESIDING OFFICER. The Chair lays before the Senate Executive D, Eightieth Congress, second session, a consular convention between the United States of America and the Republic of Costa Rica, signed at San José on January 12, 1948.

Mr. VANDENBERG. Mr. President, I move that the injunction of secrecy be removed from the convention and that it be referred to the Committee on Foreign Relations and printed in the RECORD.

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan.

The motion was agreed to.

The consular convention is as follows:

EXECUTIVE D, EIGHTIETH CONGRESS, SECOND SESSION

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a consular convention between the United States of America and the Republic of Costa Rica, signed at San José on January 12, 1948.

I transmit also, for the information of the Senate, the report which the Secretary of State has addressed to me in regard to the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 12, 1948.*

(Enclosures: (1) Report of the Secretary of State; (2) consular convention with Costa Rica, signed at San José January 12, 1948.)

DEPARTMENT OF STATE,
Washington, March 11, 1948.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve

thereof, a consular convention between the United States of America and the Republic of Costa Rica, signed at San José on January 12, 1948.

The convention establishes the rights, privileges, immunities, and exemptions of consular officers of the United States in Costa Rica and of Costa Rican consular officers in the United States.

The only treaty provisions in force at the present time between the United States and Costa Rica relating to consular officers are those contained in article X of the treaty of friendship, commerce, and navigation signed July 10, 1851 (Treaty Series 62; 10 Stat. 916; 18 Stat., pt. 2 (Public Treaties), 159).

The consular convention signed on January 12, 1948, contains provisions, comprehensive in scope, similar in substance to provisions in consular conventions or to consular provisions in treaties of friendship, commerce, and consular rights in force between the United States and many foreign countries. The most recent consular convention of the United States to enter into force is that with the Republic of the Philippines, signed at Manila on March 14, 1947 (Senate Executive Q, 80th Cong., 1st sess.).

The provisions of the consular convention with Costa Rica, as compared with corresponding provisions in existing consular conventions of the United States, reflect the results of studies which have been made during the past few years by the Department of State, with the collaboration of other interested departments and agencies of this Government, with a view to reframing certain of the consular provisions in the light of more recent experience. Many of the provisions, while not differing in purpose from corresponding provisions in other treaties or conventions of the United States, are reworded so as to make the intent clearer and to eliminate the possibility of questions of interpretation of the kind which sometimes arise in connection with the application of consular provisions. For example, paragraph 4 of article III contains provisions, substantially similar to those in force between the United States and a number of other countries, relating to the exemption of consular officers or employees from taxation, upon certain conditions and with certain exceptions. In paragraph 5 (a) it is provided that the provisions of paragraph 4 "shall apply only to taxes in respect of which the consular officer or employee would in the absence of the exemption provided by this article be the person legally liable and shall not apply to taxes in respect of which some other person is legally liable, notwithstanding that the burden of the tax may be passed on to the consular officer or employee." This is intended to express what has been the intent of corresponding tax-exemption provisions in other consular conventions, namely, that the exemption applies only with respect to taxes the legal incidence of which falls upon the consular officer or employee and not, for example, to excise taxes paid by a manufacturer, the burden of the tax being passed on, in whole or in part, to the buyer in the retail purchase price.

Among the principal exemptions to be accorded under the convention, aside from those in regard to taxation, are those provided in article IV with respect to duties on the importation of baggage and other personal property.

The convention contains a preamble and 14 articles. The provisions may be classified broadly as follows:

Article I relates to the recognition of consular officers and in general the performance of official functions by them, with provisions in paragraph 7 relating to the exercise of dual consular and diplomatic functions.

Article II relates to exemption from arrest or prosecution for certain purposes, amenability to the jurisdiction of courts, the giving of testimony, exemption from military, naval, jury, administrative or police service, and exemption of consular buildings, premises, and other property from military billeting or requisition, expropriation, condemnation, confiscation, or seizure.

Articles III and IV relate, respectively, to exemptions in regard to taxation and to duties or taxes imposed upon or by reason of importation.

Article V relates to the rights of each of the governments with respect to the acquisition and use of lands, buildings, and other property for consular purposes.

Article VI relates to the use of the coat of arms or national device and to the inviolability of the quarters and archives of consular offices.

Articles VII and VIII relate, respectively, to the rights of consular officers to act for the protection of their countrymen and to the notarial functions of consular officers.

Article IX relates to the competency and authority of consular officers in connection with the administration and distribution of estates.

Articles X, XI, and XII relate, respectively, to consular functions in regard to the internal order of merchant vessels of their country, the right of consular officers to inspect merchant vessels for purposes required under the laws of their country, and consular functions in connection with the salvage of vessels.

Article XIII defines the terms "national" and "person" for the purposes of the convention.

Article XIV defines the territories to which the convention applies and places certain limitations, deemed essential by Costa Rica in its relations with certain contiguous or nearby countries, upon the application to United States consular officials and employees of certain provisions granting rights, privileges, exemptions, and immunities.

Article XV provides that the convention shall take effect the 30th day after the day of the exchange of ratifications, shall continue in force for 10 years, and shall continue in force after that period until 6 months from the date on which either government shall have given notice to the other government of an intention to terminate or modify the convention.

Respectfully submitted.

G. C. MARSHALL.

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF COSTA RICA

The President of the United States of America and the President of the Republic of Costa Rica, on the basis of that traditional friendship which has always joined the peoples of their respective countries, have agreed to conclude a Consular Convention for the purpose yet further to strengthen this happy relationship through the fostering and development of effective consular representation between the two countries, and, in the premises have appointed as their respective plenipotentiaries:

The President of the United States of America:

Mr. John Willard Carrigan, Chargé d'Affaires ad interim of the United States of America;

The President of the Republic of Costa Rica:

His Excellency Licenciado Alvaro Bonilla Lara, Secretary of State encharged with the Office of Foreign Relations

who, after having communicated to each other their full powers and having found them to be in good and due form, have agreed upon the following:

ARTICLE I

1. Each state agrees to receive from the other state consular representatives in those of its ports, places and cities where it may be convenient to establish consular offices and which are open to consular representatives of any foreign state. It shall be within the discretion of the sending state to determine whether the consular office to which such consular representatives shall be appointed or assigned, shall be a consulate general, consulate, vice consulate or consular agency. The sending state may prescribe the consular district to correspond to each consular office.

2. A consular officer of the sending state shall, after his official recognition and entrance upon his duties, enjoy in the territory of the receiving state, in addition to the rights, privileges, exemptions and immunities to which he is entitled by the terms of this convention, the rights, privileges, exemptions and immunities enjoyed by a consular officer of the same grade of the most-favored nation. As an official agent, such officer shall be entitled to the high consideration of all officials, national or local, with whom he has official intercourse in the receiving state.

3. Upon the appointment or assignment of a consular officer to a post within the territory of the receiving state, the sending state shall notify the receiving state in writing of such appointment or assignment. Such notification shall be accompanied with a request for the issuance to such officer of an exequatur or other formal authorization permitting the exercise of consular duties within the territory of the receiving state. Such request shall not be refused without good cause and the exequatur or authorization shall be issued free of charge and as promptly as possible. When necessary a provisional authorization may be issued pending the issuance of an exequatur or formal authorization.

4. The receiving state may revoke any exequatur, formal authorization or provisional authorization if the conduct of a consular officer gives serious cause for complaint. The reasons for such revocation shall be furnished to the sending state through diplomatic channels.

5. (a) The receiving state shall notify the appropriate local authorities of such state of the names of consular officers authorized to act within the receiving state.

(b) A consular officer in charge of a consular office shall keep the authorities of the receiving state informed of the names and addresses of the employees of the consular office. The receiving state shall designate the particular authority to whom such information is to be furnished.

6. Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, any other consular officer of the sending state to whom an exequatur, formal authorization or provisional authorization has been issued by the receiving state or any person on the staff of the consular office whose name shall previously have been made known to the authorities of the receiving state pursuant to paragraph 5 of this article, may temporarily exercise the consular duties of the deceased or incapacitated or absent consular officer, and while so acting shall enjoy all the rights, privileges, exemptions and immunities previously enjoyed by such consular officer.

7. A consular officer or diplomatic officer of the sending state, who is a national of that state, may have the rank also of a diplomatic officer or of a consular officer, as the case may be, on condition that permission for him to exercise such dual functions has been duly granted by the receiving state and appropriate recognition in a consular capacity has been granted. In any such case such person's rank as a diplomatic officer shall be understood as being superior to and independent of his rank as a consular officer. The exercise of consular duties by any diplomatic officer shall be without

prejudice to any additional personal privileges and immunities which might accrue to such officer by reason of his diplomatic status.

ARTICLE II

1. A consular officer who is a national of the sending state and not engaged in a private occupation for gain in the receiving state, shall be exempt from arrest or prosecution in the receiving state except when charged with the commission of a crime which, upon conviction, might subject the individual guilty thereof to a sentence of imprisonment for a period of 1 year or more.

2. A consular officer or employee shall in civil proceedings be subject to the jurisdiction of the courts of the receiving state except in respect of acts performed by him within the scope of his official duties. He shall not, however, be permitted to assert that an act was performed by him within the scope of his official duties in any case where a third party shall have been injured as the result of negligence, for which the officer or employee would be responsible under local law, or had reason to believe that the officer or employee was acting in his personal capacity.

3. A consular officer or employee may be required to give testimony in either civil or criminal cases, except as to acts performed by him within the scope of his official duties, or as to any matter cognizable by him only by virtue of his official status, but the court requiring his testimony shall take all reasonable steps to avoid interference with the performance of his official duties. The court requiring the testimony of a consular officer shall, wherever possible or permissible, arrange for the taking of such testimony, orally or in writing, at his residence or office. A court may not require a consular officer or employee to give evidence as expert witness with regard to the laws of the sending state.

4. A consular officer or employee shall not be required to produce official archives in court or to testify as to their contents.

5. A consular officer or employee who is a national of the sending state and not a national of the receiving state and is not engaged in a private occupation for gain in the receiving state shall be exempt from military, naval, jury, administrative or police service of any character whatsoever.

6. (a) The buildings and premises occupied by the sending state for official consular purposes shall not be subject to military billeting or to expropriation, condemnation, confiscation or seizure, except in accordance with the laws governing the condemnation of property for public purposes and in such case only upon prior payment to the sending state of the full value of the property condemned.

(b) All furniture, office equipment and other personal property located in any building occupied for official consular purposes and all vehicles, including aircraft, used in the performance of the official business of the consular office shall not be subject to military requisition or to expropriation, condemnation, confiscation or seizure.

7. The buildings and premises occupied exclusively as a personal residence by a consular officer or employee who is a national of the sending state and not a national of the receiving state and is not exercising a private occupation for gain in the receiving state shall be afforded comparable protection to that afforded to buildings and premises occupied for official consular purposes, and the personal property of any such consular officer or employee shall be afforded comparable protection to that afforded to the personal property of a comparable nature referred to in subparagraph (b) of paragraph 6 of this article.

ARTICLE III

1. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, in respect of fees received on behalf of the sending state in compensation for consular services, or in respect of any receipt given for the payment of such fees.

2. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local subdivision thereof on the official emoluments, salaries, wages or allowances received as compensation for his consular services by a consular officer of the sending state who is not a national of the receiving state.

3. The provisions of paragraph 2 of this article also apply to the official emoluments, salaries, wages or allowances received by an employee of the consular office of the sending state who is not a national of the receiving state and whose name has been duly communicated to the appropriate authorities of the receiving state in accordance with the provisions of paragraph 5 of Article I.

4. A consular officer or employee who is a national of the sending state and is not a national of the receiving state, who is not engaged in a private occupation for gain in the territory of the receiving state and who is the holder of an exequatur or other authorization to perform consular duties or whose name has been duly communicated to the appropriate authorities of the receiving state in accordance with paragraph 5 of Article I shall, except as provided in paragraph 5 of this article, be exempt in the territory of the receiving state from all other taxes levied or assessed by the receiving state, or by any state, province, municipality, or other local political sub-division thereof, including taxes or fees levied or assessed on the use or ownership of any vehicle or vessel, including aircraft, or of any wireless, radio or television set or in respect of the driving or operation of any vehicle or vessel including aircraft.

5. (a) The provisions of paragraph 4 of this article shall apply only to taxes in respect of which the consular officer or employee would in the absence of the exemption provided by this article be the person legally liable, and shall not apply to taxes in respect of which some other person is legally liable, notwithstanding that the burden of the tax may be passed on to the consular officer or employee. If, however, a consular officer or employee is entitled to income from sources outside the territory of the receiving state, but that income is payable to him, or collected on his behalf, by a banker or other agent within the territory of the receiving state who is required to deduct income tax on payment of the income and to account for the tax so deducted, the consular officer or employee shall be entitled to repayment of the tax so deducted.

(b) The provisions of paragraph 4 of this article shall not apply to:

(1) taxes levied or assessed on the ownership or occupation of immovable property if such property is situated within the territory of the receiving state;

(2) taxes on income derived from property of any kind situated within the territory of the receiving state;

(3) taxes levied or assessed on that part of the estate of a consular officer or employee which is exclusive of property used by him in the performance of his official duties.

(c) For the purpose of clause (3) of subparagraph (b) of this paragraph any part of the estate of a deceased consular officer or employee which would otherwise be subject to taxation in the receiving state which does not exceed in value two times the amount of the official emoluments, salaries or allowances received by the consular officer or employee for the year immediately preceding his death, shall be deemed conclusively to constitute property used by him in the performance of his official duties.

ARTICLE IV

1. All furniture, equipment and supplies intended for official use in a consular office of the sending state shall be permitted entry into the territory of the receiving state free of all customs duties and internal revenue or other taxes whether imposed upon or by reason of importation.

2. The baggage and effects and other articles imported exclusively for the personal use of consular officers and employees and the members of their respective families and suites, who are nationals of the sending state and are not nationals of the receiving state and who are not engaged in any private occupation for gain in the territory of the receiving state, shall be exempt from all customs duties and internal revenue or other taxes whether imposed by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, upon or by reason of importation. Such exemption shall be granted with respect to property accompanying any person entitled to claim an exemption under this paragraph on first arrival or on any subsequent arrival and with respect to property consigned to any such person during the period the consular officer or employee, for or through whom the exemption is claimed, is assigned to or is employed in the receiving state by the sending state.

3. It is understood, however, (a) that the exemptions provided by paragraph 2 of this article shall be accorded in respect of employees in a consular office only when the names of such employees have been duly communicated in accordance with the provisions of paragraph 5 of Article I, to the appropriate authorities of the receiving state; (b) that in the case of the consignments to which paragraph 2 of this article refers, either state may, as a condition to the granting of the exemption provided in this article, require that a notification of any such consignment be given in such manner as it may prescribe; and (c) that nothing herein shall be construed to permit the entry into the territory of either state of any article the importation of which is specifically prohibited by law.

ARTICLE V

1. The sending state may, in accordance with such conditions as may be prescribed by the laws of the receiving state, acquire by purchase, gift, devise, lease or otherwise, either in its own name or in the name of one or more persons acting on its behalf, the ownership or possession, or both, of lands, buildings and appurtenances located in the territory of the receiving state and required by the sending state for consular purposes. If under the local law the permission of the local authorities must be obtained as a prerequisite to any such acquisition such permission shall be given on application of the sending state.

2. The sending state shall have the right to erect buildings and appurtenances on land, which is owned or held by or on behalf of the sending state in the territory of the receiving state for consular purposes, subject to compliance with local building, zoning or town-planning regulations applicable to all land in the area in which such property is situated.

3. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, on the sending state, or on any person acting on its behalf in accordance with paragraph 1 of this article, in respect of lands and buildings or appurtenances owned or held by or on behalf of the sending state for consular purposes, except taxes or other assessments levied for services or local public improvements by which the premises are benefited. A building, or part of a building, in which a con-

sular office is situated and the rest of which is used as a consular residence is to be regarded as used exclusively for consular purposes.

4. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, on the ownership, possession or use of personal property owned or used by the sending state for consular purposes.

ARTICLE VI

1. A consular officer may place on the outside of the consular office the coat of arms or national device of the sending state with an appropriate inscription designating the office and may fly the flag of the sending state over or by such office. He may also place the coat of arms or national device and display the flag of the sending state on vehicles and vessels, including aircraft, employed by him in the exercise of his consular duties. A consular officer may display the flag of the sending state over or by his residence on the occasions which he considers appropriate.

2. The quarters where consular business is conducted and the archives of the consular office of the sending state shall at all times be inviolable, and under no pretext shall any of the authorities of the receiving state make any examination or seizure of papers or other property in such quarters or archives. When a consular officer is engaged in business within the territory of the receiving state, the files and documents of the consular office shall be kept in a place entirely separate from the place where private or business papers are kept.

3. Official consular correspondence shall be inviolable and the local authorities shall not examine or detain any such correspondence.

ARTICLE VII

1. A consular officer of the sending state, may within his consular district address the authorities of the receiving state, or of any state, province, municipality, or other local political subdivision thereof, for the purpose of protecting the nationals of the sending state in the enjoyment of rights accruing by treaty or otherwise and may register complaints against the infraction of such rights. Failure upon the part of the proper authorities to grant redress or to accord protection may justify interposition through diplomatic channels. In the absence of a diplomatic representative, the principal consular officer stationed at the capital of the receiving state may apply directly to the Government of the receiving state.

2. (a) A consular officer shall, within his consular district, have the right:

(1) to interview, communicate with, and advise any national of the sending state;

(2) to inquire into any incidents which have occurred affecting the interests of any national of the sending state;

(3) to visit, upon notification to the appropriate authority, and have private access to any national of the sending state who is imprisoned or detained by the authorities of the receiving state; and

(4) to assist any national of the sending state in proceedings before or in relations with the appropriate authorities of the receiving state or of any state, province, municipality, or of any local political subdivision thereof.

(b) A consular officer shall be informed immediately by the appropriate authorities of the receiving state when any national of the sending state is confined in prison awaiting trial or otherwise detained in custody within his consular district by such authorities.

3. A national of the sending state shall have the right at all times to communicate with a consular officer of the sending state.

ARTICLE VIII

1. (a) A consular officer of the sending state may within his district:

(1) authenticate or certify signatures, documents or copies of documents;

(2) prepare, receive, legalize, certify and attest declarations or depositions;

(3) prepare, attest, receive the acknowledgments of, certify, authenticate, legalize and in general, take such action as may be necessary to perfect or to validate any document or instrument of a legal character; and

(4) perform such other analogous services as he is authorized to perform by the laws of the sending state;

(b) A consular officer may perform the services specified in subparagraph (a) of this article whenever such services are required by a national of the sending state for use outside of the territory of the receiving state or by any person for use in the territory of the sending state or are rendered in accordance with procedures, not prohibited by the laws of the receiving state, established by the sending state for the protection of its nationals abroad or for the proper administration of its laws and regulations.

(c) A consular officer may also, to the extent permitted by the receiving state and in conformity with authority conferred on him by the sending state, perform the services specified in subparagraph (a) of this article in circumstances other than those provided for by subparagraph (b) of this article whenever the rendition of such services shall be deemed to be necessary or expedient.

ARTICLE IX

1. (a) Whenever the local authorities of the receiving state shall learn that a national of the sending state died in a locality subject to the jurisdiction of the receiving state and that there is not in the receiving state any person appointed by the decedent as his executor or as the representative of his estate or entitled to claim the whole or any part of the proceeds of the estate as his heir or next of kin or as a beneficiary under his will, such authorities shall advise the nearest consular officer of the sending state of the death of the decedent.

(b) Whenever the local authorities of the receiving state shall learn that a decedent, irrespective of his nationality or the place of his residence, left in the receiving state property in which a person known to be a national of the sending state has an interest under the terms of the decedent's will or in accordance with the appropriate laws of descent and distribution, or in any other manner, the local authorities shall furnish the nearest consular officer of the sending state with such information as may be needed by him to protect the interests of such national.

2. (a) In any case where a deceased person leaves property in the receiving state and a legal or equitable interest in such property is held or claimed by a national of the sending state, who is not resident in the territory of the receiving state and is not legally represented there by any person, the consular officer of the sending state in whose district the estate of the decedent is being administered or, if no administration has been instituted, the property is situated, shall have the right, except as such right may be limited by Section 3 of this article, to represent such national as regards his interests in the estate or property as if valid powers of attorney had been executed by him in favor of the consular officer. If subsequently such national becomes legally represented in the territory of the receiving state and the consular officer is notified to that effect the position of the consular officer will be as if the powers of attorney had become revoked.

(b) The provisions of subparagraph (a) of this article apply whatever the nationality of the decedent and irrespective of the place of his death.

(c) In any case where subparagraph (a) of this article applies, the consular officer shall have the right to take steps for the protection and preservation of the interests of the person whom he is entitled to represent under subparagraph (a). He shall also have the right, in any such case, to take possession of the estate or the property unless other persons, having superior interests, have taken the necessary steps to assume possession thereof. If under the law of the receiving state, a grant or order of a court is necessary for the purpose of permitting the consular officer to exercise the rights which he is entitled to exercise pursuant to this subparagraph such rights shall be recognized by the courts and any grant or order which would have been made in favor of the person whose interests are represented by the consular officer, if he had been present and applied for it, shall be made in favor of the consular officer on his application.

(d) The consular officer shall be permitted to undertake the full administration of the estate whenever and to the same extent as a person, whose interest he represents under subparagraph (a) of this article, would have had the right to administer the estate if he had been present. If by the law of the receiving state a grant by a court is necessary, the consular officer shall have the right to apply for and to receive a grant to the same extent as the person he represents would have had, if such person had been present and applied for it. The court may, however, postpone the making of a grant of administration to the consular officer (with or without the will annexed) for such time as it thinks necessary to enable the person represented by the consular officer to be informed and to decide whether he desires to be represented otherwise than by the consular officer.

3. A consular officer of the sending state may, on behalf of a national of the sending state who is not a resident of the receiving state, receive for transmission to such a person, through channels prescribed by the sending state, any money or property to which such person is entitled as a consequence of the death of any person. Such money or property may include, but is not limited to, shares in an estate, payments made pursuant to Workmen's Compensation laws, or any similar laws, and the proceeds of life insurance policies. The court, agency or person making the distribution shall not, however, be required to make such distribution through a consular officer. If a court, agency or person does make distribution through a consular officer, it may require him to furnish reasonable evidence of the receipt of the money or property by the person or persons entitled thereto. The authority vested in a consular officer by this section shall be in addition to and not in limitation of the authority vested in him by previous paragraphs of this article.

4. Whenever a consular officer shall undertake the full administration of an estate pursuant to subparagraph (d) of paragraph 2 of this article, he subjects himself in his capacity as administrator to the jurisdiction of the court making the appointment for all necessary purposes to the same extent as if he were a national of the receiving state.

5. The provisions of this article shall be subject to any laws of, or regulations issued pursuant to law by, the receiving state providing for, or relating to, war or a national emergency.

ARTICLE X

1. (a) A consular officer of the sending state shall, except as hereinafter provided, have the right to exercise exclusive jurisdiction over controversies arising out of the internal order of merchant vessels of the sending state and over matters pertaining to the enforcement of discipline on board

whenever any such vessels shall have entered the territorial waters of the receiving state within his consular district.

(b) A consular officer of the sending state shall have jurisdiction over issues concerning the adjustment of wages of members of the crews of vessels of the sending state which shall have entered the territorial waters of the receiving state within his consular district and the execution of contracts relating to such wages. Such jurisdiction shall not in any case, however, exclude the jurisdiction conferred on the competent authorities of the receiving state under existing or future laws.

2. Notwithstanding the provisions of paragraph 1 of this article a consular officer shall not, except as permitted by the laws of the receiving state, exercise jurisdiction in any case involving an offense committed on board a merchant vessel of the sending state, which offense would be punishable under the law of the receiving state by a sentence of imprisonment for a period of at least one year, or by penalties in excess thereof.

3. A consular officer may freely invoke the assistance of the competent authorities of the receiving state in any matter pertaining to the maintenance of internal order on board a vessel of the sending state which shall have entered within the territorial waters of the receiving state. Upon the receipt by such authorities of the request of the consular officer the requisite assistance shall be given.

4. A consular officer, or a consular employee designated by him, may appear with the officers and crews of the vessels of the sending state before the judicial and administrative authorities of the receiving state for the purpose of observing any proceedings affecting such persons and rendering such assistance as may be permitted by the laws of the receiving state.

ARTICLE XI

1. A consular officer of the sending state shall have the right to inspect within the ports of the receiving state within his consular district, the merchant vessels of any state destined to a port of the sending state in order to enable him to procure the necessary information to prepare and execute such documents as may be required by the laws of the sending state as a condition to the entry of vessels into its ports and to furnish to the competent authorities of the sending state such information with regard to sanitary or other matters as such authorities may require.

2. In exercising the rights conferred upon him by this article a consular officer shall act with all possible despatch and without unnecessary delay.

ARTICLE XII

1. All arrangements relative to the salvage of a vessel of the sending state wrecked upon the coasts of the receiving state may, unless the vessel shall have been attached by a salvor, be directed by such person as shall be authorized for such purpose by the law of the sending state and whose identity and authority shall have been made known to the authorities of the receiving state by the consular officer of the sending state within whose consular district the wrecked vessel is found, or, in the absence of any such person, by such consular officer.

2. Pending the arrival of the consular officer, who shall be informed immediately of the occurrence of the wreck, or of such other person as may be authorized to act in the premises, the authorities of the receiving state shall take all necessary measures for the protection of persons and the preservation of property. Such measures shall, however, be restricted to those necessary for the maintenance of order, the protection of the interests of the salvors and the execution of the arrangements which shall be made for the entry or exportation of the salvaged merchandise. Such merchandise is not to be subjected to any customs or customhouse charges, unless it be intended for consumption in the receiving state.

3. The intervention of the authorities of the receiving state shall not occasion any expenses except such expenses as may be caused by the operations of salvage and the preservation of the goods saved, or which would be incurred under similar circumstances by vessels of the receiving state.

4. If a wreck is found within a port, or constitutes a navigational hazard within the territorial waters of the receiving state, there shall also be observed those arrangements which may be ordered by the authorities of the receiving state with a view to avoiding any damage that might otherwise be caused by the wrecked vessel to the port facilities and to other vessels.

ARTICLE XIII

For the purpose of this convention the term "national" shall be deemed to include any natural person or juridical entity possessing, as the case may be, the nationality of the receiving or the sending state, and the term "person" shall be deemed to include any natural person or juridical entity.

ARTICLE XIV

1. The territories of the contracting states to which the provisions of this convention apply shall be understood to comprise all areas of land and water subject to the sovereignty or authority of either state, except the Panama Canal Zone.

2. The provisions of paragraph 2, Article I, do not confer upon Consular officials and employees of the United States of America those rights, privileges, exemptions, and immunities conferred to Consular officials and employees of one or more of the Republics of El Salvador, Guatemala, Honduras and Nicaragua, by virtue of Treaties and other agreements which have been entered into or may be entered into between the Republic of Costa Rica and one or more of the Republics of El Salvador, Guatemala, Honduras and Nicaragua.

ARTICLE XV

1. This Convention shall be ratified and the ratifications thereof shall be exchanged at San José, Costa Rica.

The Convention shall take effect in all its provisions the thirtieth day after the day of exchange of ratifications and shall continue in force for the term of ten years.

2. If, six months before the expiration of the aforesaid term of ten years, the Government of neither State shall have given notice to the Government of the other State of an intention to modify or terminate any of the provisions of this Convention or to terminate the Convention upon the expiration of the aforesaid term of ten years, the Convention shall continue in force after the aforesaid term and until six months from the date on which the Government of either State shall have given notice to the Government of the other State of an intention to modify or terminate the Convention.

In witness whereof, the respective Plenipotentiaries have signed this Convention and have hereunto affixed their seals.

Done in duplicate in English and Spanish, in the city of San José, this twelfth day of January, 1948.

[SEAL] JOHN WILLARD CARRIGAN,
Chargé d'Affaires ad Interim of the United States of America.

[SEAL] A. B. L.
Secretary of State Encharged with the Office of Foreign Relations.

POST OFFICES AND FEDERAL BUILDINGS—ADDRESS BY SENATOR CAIN

[Mr. CAIN asked and obtained leave to have printed in the RECORD an address on the subject of post offices and Federal buildings, prepared by him and broadcast by transcription over radio stations in the State of Washington, which appears in the Appendix.]

VALEDICTORY BY THE PUBLIC PRINTER

[Mr. HAYDEN asked and obtained leave to have printed in the RECORD an address by the Public Printer to the officials of the Government Printing Office on March 9, 1948, which appears in the Appendix.]

CHURCH AND STATE—EDITORIAL FROM THE WASHINGTON STAR

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an editorial entitled "Church and State," published in the Washington Star for March 11, 1948, which appears in the Appendix.]

WALLACE'S THEORIES CHALLENGED—EDITORIAL FROM THE BOZEMAN DAILY CHRONICLE

[Mr. ECTON asked and obtained leave to have printed in the RECORD an editorial entitled "Wallace's Theories Challenged," published in the Bozeman (Mont.) Daily Chronicle for March 6, 1948, which appears in the Appendix.]

TIME FOR STATESMANSHIP—EDITORIAL FROM NEWSWEEK

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Time for Statesmanship," by Dr. Raymond Moley, from the March 15 issue of Newsweek, which appears in the Appendix.]

A STIR IN THE SOUTHLAND—EDITORIAL FROM THE LAKE COUNTY BANNER, TIPTONVILLE, TENN.

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "A Stir in the Southland," from the Lake County Banner of Tiptonville, Tenn., which appears in the Appendix.]

PRESIDENT'S CIVIL RIGHTS MESSAGE—ADDRESS BY SENATOR HILL

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address delivered by the senior Senator from Alabama [Mr. HILL] on the subject of the President's civil rights message, on Thursday, March 11, 1948, which appears in the Appendix.]

"CASE FOR THE DEMOCRATIC PARTY IN 1948"—ADDRESS BY SENATOR MCGRATH

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address entitled "Case for the Democratic Party in 1948," delivered on March 9, 1948, by Senator MCGRATH, before the Philadelphia Bulletin Forum, which appears in the Appendix.]

STATE VERSUS FEDERAL TAXES—EDITORIAL FROM THE NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "State Versus Federal Taxes," from the Nashville Banner of March 10, 1948, which appears in the Appendix.]

MEETING OF COMMITTEES DURING SESSION OF THE SENATE

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee of the Committee on the Judiciary considering a resolution regarding regional education in the Southern States, be permitted to hold hearings during the session of the Senate today.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. WHERRY. Mr. President, I also make a similar request with respect to the subcommittee of the Small Business Committee considering the oil problem.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. KNOWLAND asked and obtained consent that the Committee on Appropriations be permitted to meet this afternoon.

REPEAL OF TAXES ON OLEOMARGARINE

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I made following the amendment in connection with the removal of the tax on oleomargarine, which I submitted to the tax bill. I ask that the statement be printed in the RECORD, following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BURNET R. MAYBANK, OF SOUTH CAROLINA, BEFORE THE SENATE FINANCE COMMITTEE, 10 A. M., WEDNESDAY, MARCH 10, 1948

Mr. Chairman, I came here for the purpose of proposing an amendment to H. R. 4790. This amendment would repeal certain taxes on oleomargarine, amend the definition of manufacturer of oleomargarine and repeal the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine.

Under the present laws uncolored margarine is taxed at the rate of one-fourth of a cent per pound while a 10 cents per pound tax is paid for colored margarine. The license fees are equally discriminatory. For example:

	Pay
Retailers:	
Handling yellow margarine	$48
Handling uncolored margarine	6
Wholesalers:	
Handling yellow margarine	480
Handling uncolored margarine	200

Add to these figures a $600 annual fee for coloring the product and you begin to see the unjustness of this discrimination both to the manufacturer and the housewife.

These complex and burdensome regulations make anyone coloring margarine yellow, and serving it to customers or paying guests, liable to a manufacturers' license fee of $600 a year and 10 cents a pound tax on each pound so colored.

These regulations are understandable when we remember the quality of this product when it was first placed on the market and its one claim to consideration was its economy. The present tax and license fees were set by the Congress of 1902—46 years ago. These were imposed after the crippling taxes and fees of the Oleomargarine Act of 1886. So it is that, after 60 years, the Federal Government still imposes the very same taxes on margarine—the only pure food in the land so restricted by national laws.

Mr. Chairman, it is unthinkable, in the light of page after page of testimony such as has been given on behalf of this product, that these ancient and outmoded laws should still rest among our ladened statutes. These laws still stand despite the fact that a small army of witnesses has, in recent years, appeared before committee meeting after committee meeting. They have represented science, manufacturers, wholesalers, retailers, cotton, soybean, livestock, and peanut producers, labor, consumers, and hospitals and they have unequivocally urged the repeal of the discriminatory margarine taxes and license fees. Therefore, I am requesting the Senate Finance Committee to incorporate my bill in H. R. 4790.

American margarine is made today from domestic vegetable oils—oils derived from soybeans, cottonseed, peanuts, and corn. Margarine has become the second largest user of soybean oil and also uses about one-fourth of all the cottonseed oil refined in this country. Farmers of 44 States produce the products from which margarine oils are taken. Because of the substantially increased demand for margarine, manufacturers are encouraging production of more of these farm products which produce these fine domestic food oils.

The issue at hand has boiled down to two basic points: color and definition of the work manufacturer. The only basic difference between margarine and butter is that margarine is vegetable fat; butter, an animal-fat product. There is actually no perceptible nutritive difference. Each offers about 3,300 calories per pound. The amount of vitamin A in butter varies according to seasonal and other factors; while in margarine it is maximum and uniform the year round. Both products are equally digestible.

Report after report by medical associations and nutritional scientists declare margarine to be a nutritious, high quality food.

An official definition and standard of identity was adopted by the United States Food and Drug Administration in 1941 under the Federal Food, Drug and Cosmetic Act of 1938. Under it, margarine has a minimum fat content of 80 percent; the actual average figure is slightly more. The standard requires fortified margarine to contain a minimum of 9,000 U. S. P. units of vitamin A per pound. But 99 percent of all margarine is now fortified with 15,000 units of vitamin, the content always being shown on the label. This margarine fortification is indorsed by the American Medical Association and leading nutritionists.

The nutritional value of the product dispensed with on the word of competent authorities, we come to color.

Artificial color adds nothing to the direct nutritional value of foods. It is not nutritive in itself. But, by satisfying natural color perceptions in relation to the palate, it promotes digestion and thus indirectly aids the process of nutritive assimilation.

A product's right to any color is established by consumer preference. There is no patent or natural or common law trade-mark to yellow for butter, for example.

The argument that all that is being done, in the coloring of butter, is restoring a uniform yellow to the product, falls to the ground. For one thing, butter is not colored uniformly, but to meet market demands. Thus, butter coloring is done to suit regional taste preferences—the New York market, I am told, generally prefers butter whiter than Wichita or Kansas City markets.

Butter is only one of the hundreds of food products using artificial coloring. Butter itself uses artificial coloring during most of the months of the year, because butter produced from cows on winter forage is pale yellow in color; frequently white.

Further, the ingredient of butter (cream) has no more, or even less, claim to yellow than the ingredients of margarine (vegetable oils). Cottonseed, soybean, peanut, and corn oil are yellow in color, varying, of course, in degree. Nevertheless, in their natural state, they frequently could convey to the finished product a yellow tinge. Because of this, the oil ingredients of margarine must be bleached to avoid the Federal tax of 10 cents a pound on yellow margarine and the other penalties imposed on yellow margarine.

Artificial coloring is permitted by the United States Pure Food and Drug Administration when the colors used are certified United States Pure Food and Drug Administration colors. There are scores of these colors, each of which has been approved by the Administration. Under the Pure Food, Drug and Cosmetic Act of 1938, all food products using artificial coloring must label that fact. Margarine is made under a Pure Food and Drug Administration standard of identity and the yellow coloring, used in or packed with margarine, is so labeled. Butter, cheese, and ice cream, however, enjoy special and unique exemption from labeling artificial coloring under the act of 1923.

The effect of the Federal tax and other restrictions on yellow margarine has been to limit that food in production and distribution. In 1946, only 58,000,000 pounds of yellow margarine were produced compared with 514,000,000 pounds of uncolored margarine. A large share of the colored margarine produced was for Government purchase; the Government not paying the tax to itself.

Margarine is denied the use of yellow simply because the butter industry has misused its political power to drive a competitive product off the counter. This is discrimination and a violation of the American principle of fair, openly competitive business.

One of the most unjust points of the Federal law, at least from a monetary value, is the definition of the word "manufacturer." Under the regulations, restaurants, hotels, clubs, charitable institutions, schools, hospitals, churches, and other institutions are all liable to the manufacturers' license fee of $600 per annum and 10 cents a pound tax for each pound colored. There is an exception, "where an institution under the complete control of the United States, or a State or political subdivision thereof, in the exercise of an essential governmental function, colors margarine for use of inmates or employees of the institution."

Mr. Chairman, it is my sincere belief that these regulations are pointedly designed to restrain the free marketing privileges of one group of manufacturers. Such an archaic statute in our modern Federal Code makes it almost as incongruous with free trade as the sight of a mounted cavalryman riding out against a Sherman tank.

In the name of free enterprise, in order that this long-ignored discrimination may be corrected, I ask the Senate Finance Committee to incorporate my amendment into the Revenue Act of 1948.

CONSERVATION CREDO OF AN AMERICAN

Mr. MURRAY. Mr. President, the American people are strong in their faith in the democratic way of solving our social and economic problems. They are not greatly disturbed by alarmists who would have them believe that their institutions are threatened by economic racketeers and saboteurs. But when they see converging on their Congress a host of special-interest seekers intent upon seizing what is left of our natural resources for private selfish exploitation and profit, they are not long in arousing themselves to the danger which threatens and in acting in the public interest.

Such is the recently published Conservation Credo of an American, which 42 of our recognized leaders in the conservation movement have signed. Here is the platform of those progressive-minded citizens who fought first under the banner of President Theodore Roosevelt, aiding his great crusading forester, Gifford Pinchot, to protect the public forests from destruction by selfish private corporations. Later, under the leadership of a former Member of this Senate, the eminent George Norris, and the fearless support given his efforts by President Franklin D. Roosevelt, the conservation movement made mighty strides forward in the creation of the TVA. There was established the principle, which has been so amply proved by subsequent practice, of the protection and development of our natural resources under a system of unified planning and management of a whole river basin.

Now, with the scientific discoveries of atomic energy, which open new vistas of fabulous accomplishments for mankind, these conservationists declare it the people's purpose that such atomic energy shall be developed for peacetime uses under public, civilian, and democratic control.

Mr. President, this Conservation Credo of an American is a clear-cut, strong statement of the views of our conservationists. It represents the careful deliberations of people well known to us all, who are members in one or the other of our two major political parties. This declaration is above partisanship. It is one which can be subscribed to by every intelligent, forward-looking American citizen who has a deep and abiding faith in his country and in the full use of its natural resources for and by the people of the Nation.

I ask permission to have the Conservation Credo of an American inserted in the CONGRESSIONAL RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

CONSERVATION CREDO OF AN AMERICAN

We believe in the great conservation movement. We believe in the full use of our natural resources for and by the people of the Nation.

We are heirs to the victories for the public domain won by Theodore Roosevelt and his crusading forester, Gifford Pinchot, and we are enlisted in the battle for democratically managed river and power control waged by Franklin Roosevelt and George Norris.

We hold that the welfare of this and future generations in our land, with which is closely tied our continuance as a great power, requires that the concept of conservation as expressed by these great leaders continue as a keystone of Government policy, and that it be expanded as the demands on our national resources increase.

We believe that the peacetime uses of atomic energy should be under public, civilian, and democratic control at all time.

We subscribe to the conviction of all our great conservationists that the Nation's water-power resources should be forever retained as the inalienable possession of the people and that the potential 100,000,000 horsepower of as yet undeveloped hydroelectric energy should be brought into service by the Government for the benefit of the people either directly or under limited term licenses providing adequate protection for the consumer and recapture at not more than actual net investment as provided for in the Federal Water Power Act signed by Woodrow Wilson.

We believe in the comprehensive development of our river basins for flood control, power, irrigation, navigation, recreation, and all other beneficial public purposes under regional and autonomous management in general accordance with the highly successful methods of the Tennessee Valley Authority. The full development of the latent energy resources of our rivers, great and small, is one of the keys to an expanding system of competitive private enterprise, dependent as that system is upon increased supplies of electric power and all forms of energy. Our people must be on the alert against the efforts of any vested interest to limit these developments.

We hold that large-scale power development and flood-control works on the major streams must be safeguarded and supplemented by conservation practices on the croplands, ranges, and forests of the watersheds above them.

We believe in the principle that governmental agencies responsible for marketing power from river-basin projects should have full authority to take the steps necessary to assure the farms, homes, places of business, and industries of the region an abundance of electricity at the lowest possible rates. To that end, such agencies should be empowered to construct transmission lines, steam-generating stations, and all other facilities necessary to provide power at wholesale to municipalities, power districts, cooperatives, and other distributors of power willing and able to pass on the benefits of publicly-developed power to the consumers.

We hold that such a program provides the most effective assurance that the American system of free enterprise shall not be cramped by the oppression of great monopolies and shall be enabled to develop along the lines of widely distributed local competitive effort which has played such an important part in making our country a satisfying home for a free people.

We are against the sale of reserved public lands.

We are against the reduction in area of any national park, or national monument, power reserve, irrigation reserve, or Indian reservation, and against proposals to abolish the prerogative of the President to create national monuments by Executive order.

We are against any proposal to turn over to the States land now held in Government reservations.

We are against any move whatever that would set a precedent for the interference of private individuals or corporations with the autonomy of governmental conservation organizations such as the Forest Service, the National Park Service, the Soil Conservation Service, the Rural Electrification Administration, and the Bureau of Reclamation.

We are against advisory boards composed of private individuals empowered to require Government agencies to consult them in determining regulations for grazing or timber cutting on public lands; and against any measure whatsoever that would tend in any way to create vested rights in grazing among present holders of grazing permits on public lands.

And finally, we reaffirm the principle, upheld by the highest courts for generations, that the utility business is essentially a public business, however owned, and that corporations authorized by the people to conduct this business for private profits must be subject to such effective regulation as will assure adequate service on a legitimate cost basis. This is essential to effective conservation. In our modern age of more intensified development and use of national resources with interstate pools of energy and fuel, such effective regulation requires a continued strengthening rather than a weakening of Federal vigilance in behalf of the people.

May God prosper the Republic!

Shirley W. Allen, Head, Forestry Department, University of Michigan; Dewey Anderson, formerly Executive Director, TNEC, and now Director, Public Affairs Institute; Bruce Bliven, Editor, New Republic; Louis Bromfield, Author and Farmer, Director, Friends of the Land; Struthers Burt, Author and Rancher; Stuart Chase, Author of numerous books on conservation; Morris L. Cooke, Engineer and Author, formerly Chairman, Mississippi Valley Committee; Mabel Cory Costigan, Past President, League of Women Voters, widow of the late Edward P. Costigan, Senator from Colorado; David Cushman Coyle, Engineer and Author; Jonathan Daniels, Editor, Raleigh News-Observer and formerly Secretary to President Roosevelt; Chester C. Davis, President, St. Louis Federal Reserve Bank and Chairman of the Board, Friends of the Land; States R. G. Finley, General Superintendent, Electric Power Board, Chattanooga, Tenn.; Henry S. Graves, formerly Dean, Forestry School, Yale University; William Green, President, American Federation of Labor; Seymour E. Harris, Author, Professor of Economics at Graduate School of Public Administration, Harvard University; Jesse F. Jackson, Director, Friends of the Land (Georgia); W. Ed Jameson, Real Estate, Missouri Director, Friends of the Land; Elizabeth I. Kent, widow of the late William Kent, Congressman from California; William Draper Lewis, Director, American Law Institute; Murray D. Lincoln, State Chairman, Ohio Farm Bureau; Walter C. Lowdermilk, Geologist, and until recently Codirector, Soil Conservation Service; Myres S. McDougal, Professor of Economics, Yale University; O. C. Merrill, formerly Chief Engineer, Federal Power Commission; Carleton C. Nau, Managing Director, American Public Power Association; Mandel Nieder, Treasurer, Columbia Valley Authority; Ellie L. Norris, widow of the late George W. Norris, Senator from Nebraska; Ralph W. Page, Washington Correspondent, Philadelphia Bulletin; Harlow S. Person, Consulting Engineer in Management and author, Little Waters; Cornelia Bryce Pinchot, widow of Gov. Gifford Pinchot; Stephen Rauschenbush, former Staff Resource Economist, Department of Interior; Eleanor Roosevelt, widow of President Franklin D. Roosevelt; Alice Ross, widow of J. D. Ross, promoter and for many years executive officer of City Light, the pioneering publicly owned electric system in Seattle, Wash.; Belle Sherwin, Past President, League of Women Voters; Harry Slattery, Lawyer, formerly Secretary, National Conservation Commission, Under Secretary of the Interior; J. Russell Smith, Geographer, author, formerly Professor of Economics at Columbia University; Lawrence M. C. Smith, businessman; Huston Thompson, Lawyer, Author, papers on conservation, formerly Chairman, Federal Trade Commission; Roy A. H. Thompson, Businessman; H. R. Tolley, formerly Chief, Bureau of Agricultural Economics, Department of Agriculture, and now with FAO; Alston Waring, Farmer, Author of Roots in the Earth; Victor Weybright, Farmer, Publisher, and formerly Managing Director, Survey Graphic; Raphael Zon, formerly in charge of experimentation for the Forest Service and now Professor of Forestry, University of Minnesota.

INTERNATIONAL CHILDREN'S EMERGENCY FUND OF THE UNITED NATIONS

Mr. SMITH. Mr. President, yesterday the distinguished Senator from Florida [Mr. PEPPER] inquired on the floor of the Senate in regard to the International Children's Emergency Fund of the United Nations. At the time I gave certain figures from memory. Since then I have checked up on them, and I find that the figures I gave yesterday were incorrect in certain minor particulars. Accordingly, I should like to correct the figures I then gave.

I can now report that the United States Government has contributed $15,000,000 to this relief operation as of this date. The total amount of money available in the fund at the present time is $40,983,-728.08. Of this amount $11,660,000 are UNRRA residual assets. Twenty-one countries, including the United States, have contributed to this fund. The United States Congress originally authorized $40,000,000 to be available to the fund on a 57 to 43 matching basis, Public Law 84. It is my understanding that the House is presently considering a new amendment which will extend the provisions of this law until the end of the fiscal year, June 1949. This amendment will provide for a new matching formula by which not more than 50 percent of the total resources available for all programs under the supervision of the fund will be contributed by the United States. For every United States dollar made available to the fund, other governments must have contributed the equivalent of 40 cents for use in programs outside their borders and the equivalent of 60 cents for use inside their borders, in addition to the existing ration.

The amendment provides a further authorization of $60,000,000 to continue the operations of the fund through June 30, 1949. Under this new matching provision and the increased authorization, the total world program, if realized, would be $200,000,000.

Mr. President, I may add that the report of the House Select Committee on Foreign Aid, evaluating the programs of international agencies related to economic reconstruction, states:

The International Children's Emergency Fund is, on its record, an effective agency for administering one of the most basic elements of the relief program and one whose success would greatly affect the morale of recovery.

CORPORATE EARNINGS

Mr. O'MAHONEY. Mr. President, in view of the fact that the Committee on Finance is about to report a tax-reduction bill which, I am reliably informed, will contain no reference to any form of excess-profits tax, I desire to have printed in the body of the RECORD a brief statement which appeared in the Washington Post of this morning, indicating the tremendously increased profits after taxes of some of the leading corporations of the United States in 1947, as against 1946. I ask unanimous consent that the clipping not only be printed in the body of the RECORD, but also be referred to the Committee on Finance.

Mr. President, the National City Bank in its monthly economic letter has a compilation of the earnings statements of between 700 and 900 corporations. My recollection is that that statement from the National City Bank shows that corporate earnings after taxes in 1947 were more than 50 percent greater than their earnings after taxes in 1946, although, of course, the earnings in 1946 represented the peak up to that time.

There being no objection, the statement was ordered to be referred to the Committee on Finance and to be printed in the RECORD, as follows:

LATE EARNINGS STATEMENTS

General Electric Co. reported record sales of $1,330,776,375 and profits of $95,298,940 for 1947. Net profit was equal to $3.30 a share of common stock compared with $1.49 per share on a net profit of $43,008,850 in 1946. Sales in 1946 amounted to $768,863,313.

Phelps Dodge Corp. reported 1947 net income of $43,817,664, equal to $8.64 a share, compared with a 1946 net of $14,853,360, or $2.93. The earnings were before deduction for depletion of mines.

Colgate-Palmolive-Peet Co. reported for 1947 net income of $19,014,494 after deduction of $3,750,000 as an additional protection against inventory price declines. This was equal to $9.30 a common share and compared with net income of $14,443,835 in 1946, equal to $7.14 a share.

American Can Co. reported 1947 net income of $21,836,624, equal to $7.66 a common share, after all taxes but before an appropriation of $2,500,000 for contingency reserves. This compared with a 1946 net income of $8,828,983, or $2.40 a share.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. VANDENBERG. Mr. President, before a quorum is called and before the general business of the afternoon starts, I should like to clean up in the RECORD one matter with which we dealt just before the recess yesterday evening.

It will be recalled that the Senate rejected the amendment offered by the able Senator from Illinois [Mr. BROOKS] in the form in which it was offered dealing with relief packages going abroad. I indicated at that time that the sponsors of the bill and the Department were entirely willing to proceed so far as is humanly possible in this direction. I should like very much, if it is agreeable to the Senator from Illinois, to yield to him so that he may offer the substitute, and I think, without controversy, it can be immediately agreed to.

Mr. BROOKS. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee for his suggestion. I thank him particularly for agreeing to the principle of the amendment I offered yesterday and for his efforts to work out an acceptable formula by which the principle can be written into the bill. I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER (Mr. CAIN in the chair). The amendment will be stated for the information of the Senate.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this act in the form of grants, funds made available for the purposes of this act may be used, in the discretion of the Administrator, and under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies licensed for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this act in the form of grants.

The Adminstrator may make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 15 of this act, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee.

Mr. BROOKS. I may further say that in effect the amendment carries out the purpose of the amendment I offered yesterday. It lacks one feature, that is, the provision that the Administrator should seek to obtain free entry in the foreign country for the relief packages. I hope, however, the Administrator will work out that detail to the best of his ability.

If I may, Mr. President, I should like to have included as a part of my remarks an editorial entitled "Making Charity Easier," from the Rockford Register-Republic of March 8.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAKING CHARITY EASIER

We were quite struck by the suggestion of Senator C. WAYLAND BROOKS that 3 percent of Marshall-plan funds be earmarked to defray transportation charges on private relief packages forwarded to Europe by individual Americans.

It is estimated that 90,000,000 packages of food, clothing, and other supplies have been sent to distressed Europeans since postal channels were reopened after the war. At least 26 accredited agencies are urging and helping Americans to make such shipments.

Surely this type of aid, coming straight from the hearts of church members, students, businessmen, and other individuals, must be, as indeed General Clay has said it is, by far the most effective way of gaining real friendship and encouraging respect for our way of life in western Europe.

No doubt this outpouring of purely voluntary individual charity would be even greater than it has been were it not for the considerable shipping charges unfairly imposed upon the givers in addition to the original cost of the supplies. If it were possible to arrange shipment of packages to Europe at no more than the cost of sending a package to a friend or relative in the United States, the cause of charity and international good will would be greatly furthered.

This is exactly what the Brooks proposal undertakes to do. His amendment to the European recovery program bill proposes that individuals sending packages to Europe would pay the regular parcel-post rate merely to the port of embarkation in this country. The ERP Administrator, using earmarked funds from the Federal appropriation, would arrange for transportation of the package to the European port of entry. From that point the European country involved would be asked to carry it to the consignee without charge and for this purpose it would have available funds derived from the sale of American Government relief goods to its own people.

Since privately shipped relief goods going to western Europe are quite as important to the success of the Marshall plan as the equivalent in federally provided goods, it

seems to us that the cost of transocean shipment is a proper charge on the Federal Treasury.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was agreed to.

Mr. KEM obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. STENNIS] is absent on official business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. KEM. Mr. President, the bill now before us is one of the most important with which any peacetime Congress has been called upon to deal. It is essential that the Congress, as representatives of the American people, have all the available facts before making a decision. It is equally vital that all of the possible ramifications of this proposal be thoroughly examined in the crucible of debate. Let me say, Mr. President, in passing, that I have the greatest admiration and respect for the good will, the patriotism, the industry, the talent, and the skill in debate of the able Senators, headed by the distinguished senior Senator from Michigan, who are urging the enactment into law of the bill now pending.

We are called upon to decide whether this Nation should continue a policy of extending governmental grants and so-called loans to European countries in the hope that a more prosperous and peaceful world will result. We have pursued this policy almost without remission since the end of the First World War, at a tremendous cost to ourselves. It has been estimated, for example, that we have contributed during this period $40,000,000,000 to one country alone—Great Britain.

Since the end of World War II, the tempo of our gifts has increased. During the period from July 1, 1945, to the present time, the loans, property, credits, advances, relief, and rehabilitation grants and other authorizations to foreign countries by the United States amount to $24,781,043,144. This sum, Mr. President, is $187 for every man, woman, and child in the United States, and $628 for every American family.

It is no secret that our efforts so far to assist foreign countries have fallen far short of their objectives.

Now we have before us for consideration the latest proposal to effectuate a European recovery, the Truman-Marshall plan. This latest venture had its inception in Secretary of State Marshall's invitation last June 5, when he announced that the United States was ready to participate in a recovery program for Europe on the condition that the European nations prepare a plan to help each other. Britain and France led 16 countries of western Europe in accepting the offer. Russia and her satellites expressed their disapproval of the idea, and refused to participate. The so-called Committee on European Economic Cooperation met in Paris last July to work out a plan and take advantage of the generous offer of Mr. Marshall.

This committee concerned itself primarily with figuring out how much outside aid would be needed to effect a recovery from their ills. They accomplished this by first agreeing on the number of freight cars, trucks, and tools, the tons of wheat, coal, and flour that they would like to have during the next 4 years from America, subtracting the amount they could pay for and sending Uncle Sam a bill for the rest. At first rumors came from the French capital that these countries would request over $29,000,000,000 in aid during the next 4 years. Even our State Department, not particularly economy minded, was alarmed at the size of this figure. Eventually the 16 countries cut their requests to a figure which they considered "reasonable and realistic," namely, $19,300,000,000. The Truman administration trimmed this estimate to the "all or nothing" figure of $17,000,000,000, wrapped it up in a package labeled "bipartisan foreign policy," and sent it to Congress.

The request for appropriations was later changed to $6,800,000,000 for the first 15 months of the plan, when it was pointed out that the Eightieth Congress could not bind succeeding Congresses in this respect, and that one must be somewhat of an optimist to attempt to predict the status and needs of Europe for even 15 months, let alone 4 years, or to predict our ability during such period to respond to their requests. However, let us not believe that this request for a smaller amount indicates any change in the plan of the administration to spend at least $17,000,000,000 of the taxpayers' money.

Our Foreign Relations Committee has served this plan to us in a little more palatable form; that is, the request for appropriations has been changed to $5,300,000,000 for the next 12 months. But, Mr. President, no matter how you slice the Truman-Marshall plan, it is still what has been aptly called "globaloney."

The subject divides itself into two grand divisions: First, the effect on America; and second, the effect in Europe. I shall discuss these questions in that order. My first proposition is: The Truman-Marshall plan will undermine the American economy.

I. THE TRUMAN-MARSHALL PLAN WOULD UNDERMINE THE AMERICAN ECONOMY

A. TRUMAN-MARSHALL PLAN ENTAILS RISK OF A PRICE DEBACLE AT HOME

This much is plain. If we comply with the request for the huge shipments for foreign aid called for by the Truman-Marshall plan, prices here at home will rise probably beyond anything we have seen or contemplated. Any foreign-aid program and the price level here in America are indissolubly connected. The high cost of giving is a major cause of the high cost of living.

Foreign aid creates a prodigious demand abroad for the same scarce goods for which the enormous purchasing power within the country is bidding. Thus, we have a two-way pressure on domestic prices. Our gifts to foreign countries have led to a demand for exports which in general consist of those products which are in short supply here at home. The administration has been trying to meet this foreign demand. The Truman administration has shipped abroad 5 percent of the total domestic supply of meat and dairy products; it has sent abroad more than one-third of the domestic supply of wheat. And foodstuffs, it should be remembered, are a far greater factor in the inflationary process than heavy goods, because their production cannot be adapted to the fluctuating changes in demand as readily as can the demand for heavy goods. Thus, foodstuffs are more sensitive to inflationary forces when the demand exceeds the supply.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Does the Senator from Missouri believe that the two announced policies of the administration are consistent? I refer to the stopping of inflation and the budgeting over a 4-year period of $17,000,000,000, of which the pending bill immediately appropriating $5,300,000,000 is a part.

Mr. KEM. Mr. President, I think they are absolutely inconsistent. It is clear beyond argument that we cannot have our cake and eat it, too.

Is it any wonder, then, that prices mount rapidly when the administration buys enormous quantities, and that they fall only when the administration threatens to curtail shipments abroad? Secretary of Agriculture Anderson certainly was guilty of no understatement when he

contended that it would be easy to show that Government purchases for overseas shipment have affected the grain market.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MALONE. Does the Senator from Missouri feel that such a large appropriation at the present time would lead to a request for reestablishment of price controls and rationing?

Mr. KEM. I think it is perfectly true that the administration is going to ask for controls. I think the administration is probably right when it contends that if we are to go forward with the plan we shall have to have price ceilings but, Mr. President, I think the administration is dead wrong when it assumes we can have such price controls without drying up the sources of production here at home.

I have just quoted what Secretary of Agriculture Anderson said about the effect of the foreign shipments on the price of wheat. Secretary of Commerce Harriman was equally correct when he stated before the Senate Foreign Relations Committee:

> We must frankly face the fact that the ERP will add to our difficulties in trying to control inflation.

Domestic demand and foreign demand are fighting for our limited supplies of goods. To make matters worse, foreign governments have purchasing commissions over here to buy commodities. They buy on the open market, and since, for the most part, they are using our money they are not too much concerned as to what price they pay.

The American people should be fully informed as to what effect the carrying out of the foreign-aid program advocated by the administration will have on already skyrocketing prices. The administration proposed to curb this inflationary spiral, as has just been suggested, by a return to "police state" methods, to quote the words of the President himself. That is, it proposes to subject the American economic system again to burdensome restrictions, rationing, allocation, and price controls which mean reams upon reams of bureaucratic red tape. The principal reason why American industry has been able to maintain its high rate of production since the end of the war has been the fact that our economy has been largely freed from Government controls. By the same token those countries in which socialistic experiments are being carried on have been forced to turn to the United States for aid. Incentives to work and save have been destroyed in those countries with resulting drops in production.

If we proceed with the Marshall plan, I fear the President will find it necessary to renew the application of price ceilings on commodities which are in short supply.

B. AN UNBALANCED FOREIGN TRADE IS DRAWING AWAY OUR NATURAL RESOURCES

We are told that our gift loans to other countries help to maintain full employment and prosperity at home by enabling us to carry on a lively foreign trade. Mr. Webster defines foreign trade as the "commercial exchange of commodities between different countries." But the one-way funneling of commodities from one country to another can in no way be described as trade. It is simply a quick method for a nation to commit commercial suicide.

This country does not possess an inexhaustible supply of resources. After our plowing up of crops, destruction of livestock, and other such foolish programs, it may be difficult to convince our people at first of this stark fact. Exploitation of our natural resources during the war years, and a series of foreign-aid programs since the war have resulted in a heavy toll in many materials and much of our natural wealth. It has been estimated, for example, that our supply of petroleum will last no more than another 15 years at the present rate of consumption. Already our citizens are feeling the pinch of fuel shortages. This Nation cannot continue to export annually $10,000,000,000 of our products in excess of our imports. Scraping the bottom of the barrel is dangerously near.

To sum up, every dollar sent to Europe weakens by that much our own national economy. We are distributing our wealth and resources around the world without the benefit that comes from ordinary foreign trade. Every such expenditure not only retards retirement of our national debt and reduction of the burden of taxation, but causes shortages of scarce goods in our own country.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. On Friday of last week the fact was developed that the figure $6,800,000,000 had been arrived at for a period of 15 months and the figure $5,300,000,000 for a period of 12 months, in the same proportion, by adding all the unfavorable trade balances of the 16 Marshall-plan countries from every source, which amounted to $6,860,000,000 or $6,880,000,000. They had in that way arrived at that amount so that they could pay the unbalanced accounts of the 16 Marshall-plan countries and continue to trade. Does the Senator believe that this plan has been adopted by the administration as a way to continue world trade by our furnishing the money? In other words, instead of killing little pigs and plowing under cotton, we are expected to furnish other nations the money with which to buy such goods?

Mr. KEM. I understand the administration contemplates the most gigantic dumping operation in all history. Later I shall have more to say with regard to that. I thank the Senator for his contribution.

This process raises prices, promotes inflation, and intensifies our own difficulties. The ultimate result will be inevitably to reduce our own national economy to the level of the countries we want to help and to make us as vulnerable as they are to communism. Instead of setting an example to lead Europe out of her economic and political chaos we may be forced to adopt the same economic planning and controls that we find plaguing Europe today, with such tragic results. The President of the United States is already asking us to do that very thing.

The Truman-Marshall plan is presented to us as a calculated risk. While it may not succeed in accomplishing its objectives in Europe, certainly those who stand to profit by this vast dumping operation face no such odds. For win, lose, or draw in Europe, the Truman artificial prosperity will be prolonged by Government buying at inflated prices. Under its beneficent operation we will be relieved temporarily from any possibility of a glut of farm and industrial products in this country. So long as the Marshall plan is operating there will be no price decline. Let us not fool ourselves about that.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. MALONE. One section of the canning industry today complains that there are 20,000,000 cases of tomato juice in warehouses. The annual consumption in this country is approximately 70,000,000 cases. At this time the industry is greatly worried for fear it will be unable to make contracts with tomato growers in the coming season, but if they are included in this program they will continue normally in business—in artificial business, as the Senator describes it. Is that what the Senator meant?

Mr. KEM. That is it. Practically every Senator in the Chamber has received calls from constituents who want to share in the dumping operation.

I am told that certain farm and industrial organizations hail the Truman-Marshall plan as a boon for their members. But, Mr. President, I am bold enough to say that anyone who supports the Marshall plan for any such reason is living in a fool's paradise. He will find in the cold gray dawn of the morning after that another effort to lift oneself up by one's own bootstraps has gone awry.

There has been a tendency to greatly overestimate the ability of the United States to export large quantities of foodstuffs to other parts of the world, and still retain a sufficient supply for our own people.

In the first place, this country with only 7 percent of the world's population, and which produced only 9 percent of the world's food supply prior to the war, can scarcely hope to fill every hungry mouth in the world with food. The stark facts are that famine, pestilence, and the ravages of war have occurred in the world at intervals since the dawn of recorded history. Famines in India and Ireland and devastation in our own South come readily to mind. If the American taxpayer is undertaking to relieve mankind from these scourges of the human race whenever and wherever they occur, he—John Q. Public—is biting off more than he can chew.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. In other words, does the Senator mean that if we continue to send to Europe, Asia, or any other parts of the world, goods which the people of the 16 European nations have not normally consumed in the past, and if we continue to assist them beyond their normal point of recovery, is there not danger that we may get them accustomed to

the things we produce, which they never can produce for themselves and, in addition, that we may become gradually dependent on our own funds for such purchases, so that our own manufacturing industry and even our own agricultural industry may become overbuilt, dependent upon appropriations from our own United States Treasury to buy their surplus goods.

Mr. KEM. Yes. I shall subsequently quote from the London Times in which the editor likens the process to reliance on alcohol or other stimulants.

Then, too, the world is faced with an increasingly serious economic problem arising from the natural increase of population and the limited world availability of certain natural resources. At the present time there are about 2,250,000,000 people in the world, and two-thirds of the earth's population, according to Secretary of Agriculture Anderson, suffered from chronic undernourishment even before World War II. It has been estimated that each year an additional 21,000,000 persons will be added to the world's population.

In Europe, for example, where we are attempting to concentrate our humanitarian efforts, it is evident that we are engaged in a hopeless race with increasing population. Within 3 years following the most destructive of all wars, there are 14,000,000 more people in western Europe than before the war. Although millions of Europeans are hungry today, the State Department estimates that the population of Europe will increase by 22,000,000 during the coming 10 years. It has been estimated that the babies in Europe that have been or will be born between the years of 1945 and 1951 will require 308,000,000 additional bushels of wheat alone, which would require 18,200,000 acres of American cropland to produce.

Here at home the American people are becoming poorer and poorer per capita of real wealth of natural resources due to a rapid depletion of our soil, timber, and minerals, while our own population is also rapidly increasing. Since 1940 our own population has increased by 11,000,000.

Mr. President, if Malthus were here I think he would post this stark, unpleasant question: Is it wise for the American people to underwrite programs of population expansion in Europe that will require greater aid from the United States in the future, at an accelerated tempo?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Does the Senator believe that in connection with the increase in population there would also be developed a method of meeting the payments for the additional exports which it would be necessary for us to send abroad for their support, or would we just continue to build up a deficit in this country through continuing the Truman policy of appropriating money each year to make up the deficit.

Mr. KEM. If any such method is to be developed, it is still in the womb of time. There is no indication in the record that it has yet been found.

C. OUR TRADITIONAL CAPITALISTIC ECONOMY IS THREATENED BY TRUMAN-MARSHALL PLAN

My third proposition, Mr. President, is that our traditional capitalistic economy is threatened by the Truman-Marshall plan.

The American free-enterprise system is based on the principle of the accumulation of private capital by those prudent individuals who are able to retain a portion of their earnings as savings. These savings, through the accustomed investment channels, make money available for capital expenditures, for purchases of machinery and tools, for construction of factories and power plants, and so on.

In the past, the middle-income group of this country has constituted the principal source of savings available for investment in industry. For the most part, individuals in the lower income brackets are unable to do much more than to make ends meet, and are thus unable to contribute to the accumulation of capital. Those in the wealthy group pay their high income taxes and live to a considerable extent on their returns from savings already invested. Thus, those in the great middle-income group are the only real source of risk capital in our economy. It has been to the advantage of our Nation that this is so, for, as our democratic system of government is based on the participation of the people in its processes, so should the people participate in the operation of the economic system. It is essential to the successful and democratic operation of our free-enterprise economy that the lifeblood originate in the activities of the successful business-minded middle-income individuals who comprise the backbone of our country.

The classic example of the method in which our system operates is that of Henry Ford, who began with an ingenious idea for an automobile, plus a few thousand dollars from a young man named Jim Couzens.

Today, however, our traditional capitalistic system faces a danger. Personal taxes per capita by 1947 reached a seasonally adjusted annual rate 683 percent above the average for the years 1935–39. The heavy tax rates combined with a rise in consumer price levels of some 60 percent have so drastically reduced the savings of the middle-income group that there is danger that our prime source of risk capital will be completely closed. The estimated annual savings of the American people in 1947 declined to $11,100,000,000, which means a drop of $24,500,000,000 since 1944. There is now little incentive to work and produce more after a certain income level has been reached because most additional earnings are taken away by Government taxes.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Does the Senator from Missouri mean to say that the announced definite plan and system adopted over the past several years, under which, whenever there is a raise in pay to the workers in this Nation, it is siphoned off in taxes, so say the originators of such policy, to prevent inflation, that results in incomes of men who are capable of making a greater amount of money reaching such a point after a while that the more they make the less they keep, so that they have formed the habit of ceasing productive efforts? Does not the Senator believe that is the kind of policy which eventually stops enterprise, and forces our own Government to make Government appropriations for industry as they are now doing in the Socialist European governments, which are included in the Marshall plan?

Mr. KEM. I think all the available evidence supports that view, beyond question. For instance, 70 percent of the business executives surveyed in a recent poll by Fortune magazine stated that it would not be worth their while to work an additional 2 hours a day to double their income.

I heard a very fine physician say recently that he had no incentive to increase his practice, to answer any more calls, or perform any more operations than he was then doing, because of the excessive portion the Government would take of any added increment of income he might make.

There are several results. In the first place, the control of our economy is tending to be concentrated more and more into the hands of the wealthy few. Records of the Bureau of Internal Revenue point out that there is an alarming degree of concentration in the ownership of corporate assets. I have heard the able senior Senator from Wyoming [Mr. O'MAHONEY] frequently refer to that fact. For example, 394 of the largest corporations out of a total of 228,000 own nearly half of all corporate assets. Small businesses are finding themselves shoved more and more into the background, while the large corporations are becoming increasingly important.

In the second place, there is a real danger that there will not be sufficient accumulated savings and invested capital to supply the machinery and tool needs of our industry in the future. We are currently able to maintain a high level of production by utilizing our existing machinery to the limit. However, it has been estimated that over 75 percent of this country's industrial machinery is 8 years old or older. There must soon be replacements and additions if we are to make further economic progress and maintain our present standard of living for our increasing population.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. The announced objective of this policy was the breaking up of the large corporations, or retarding their activities, but it resulted in siphoning off the raises in pay of the smaller wage earners. Does the Senator from Missouri mean to imply that it not only would not reach that announced objective but might even emphasize the very thing sought to be prevented?

Mr. KEM. I do mean that. I mean that the concentration of capital in the

hands of the large corporations in this country is proceeding at an accelerated rate. That is established by the evidence beyond any question, in my opinion. And the very policies to which I have been referring are responsible for that.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WATKINS. Does the Truman-Marshall program the Senator speaks of influence or affect that in any way?

Mr. KEM. I am glad the Senator from Utah asked that question. I intend to deal with it in detail a little later. I will say at this point that it will prevent the normal reduction of the tax rate in the United States which the American people are entitled to have and which the American people expect to receive.

Mr. WATKINS. I understand, then, the Senator's point is that if the plan is adopted, the American people should know that they will continue to pay high taxes, probably even an increase in taxes, in order to continue such a program in operation?

Mr. KEM. Yes. I think they should be told it in so many words by the proponents of the plan.

Mr. WATKINS. Am I to understand also that the program now pending before the Senate is only a part of the foreign relief program?

Mr. KEM. Yes. Even today the newspapers carry the announcement that the President has written a letter to Speaker MARTIN in which he asked for another and additional gift to France, Italy, and Austria.

Mr. WATKINS. What about the sums proposed for China and the occupied countries of Germany and Japan?

Mr. KEM. They are not included in the so-called Truman-Marshall plan, or the bill now pending.

Mr. WATKINS. As I remember, in the report of the Foreign Relations Committee on the bill, there is mentioned a sum in excess of $9,000,000,000, including the money proposed to be provided for this particular program, which the United States will be called upon to provide this year for other parts of the general program; that is, under the same policy, to provide relief for other nations of the world. In the opinion of the Senator from Missouri, what effect will that have on the economy of our country?

Mr. KEM. I think it will have the effect of putting the nose of the American taxpayer to the grindstone and keeping it there for an indeterminate time. Does that answer the Senator from Utah?

Mr. WATKINS. It seems to me it is pointing in that direction.

If I may make an observation at this point, I think the American people are entitled to know what the whole program is, not to have it brought in here piecemeal. In other words, if we are to consider the problem of what we should do for foreign nations in order to stop communism, and keep their peoples on their feet, we should have the whole program here at once, and then we could determine whether the economy of the United States could stand such an outlay.

Mr. KEM. I should like to ask the Senator from Utah whether in his opinion it is possible that the administration feels that the program must be fed to us in small doses, lest we choke on the whole thing?

Mr. WATKINS. I have an idea that the policy is to give the program to us in small parcels, and we may be willing to take one, and then a little bit later, when another emergency arises, we will take more, and more, and more. It seems to me that the wise thing for the Congress to do is to have the entire program laid before it for Japan, Germany, China, and all the other nations of the world which we are going to help this year, so we can see the entire picture, rather than have the European program put up first, and then have another one, and yet another one laid before us.

Mr. KEM. I agree entirely with the Senator from Utah. I am glad he brought up that point.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. If I understand the course of the colloquy between the Senator from Missouri and the Senator from Utah, the Senator from Missouri is of the opinion that with the establishment of the precedent of loaning or giving a foreign country an amount representing its unfavorable balance of trade with us in order to clean our shelves of materials that may be surplus here, we may be looking forward, as the distinguished Senator from Georgia [Mr. GEORGE] said on the floor of the Senate a few days ago he anticipated, if the proposed program were continued, to the time when our future common, ordinary budgets, say in 1951, might be forty-six billion or forty-seven billion dollars.

Mr. KEM. I am afraid so, Mr. President, and I am afraid that we are not only committing ourselves to place our own noses to the grindstone, but the noses of our children and our children's children.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. SALTONSTALL. In that connection I would respectfully differ with the distinguished Senator from Missouri in what he says concerning our children and our children's children. Are we not now by extending aid to certain countries, proposing to do something to help them by preventing them from having to go into another war? As I have listened to the discussion by the Senator from Missouri, and the colloquy which has taken place in connection with it, I have concluded that he and those who have taken part in the colloquy have left out one point of view which is plainly evident today, and that is the necessity of our keeping out of another war tomorrow. Does not the distinguished Senator think that the European recovery plan, and the plans which contemplate helping other nations that are suffering great distress as a result of the last war, will help prevent another war, and thereby help our children and our children's children?

Mr. KEM. Mr. President, I think the American people are weighing the plans very carefully in the balance, and I believe that the available evidence indicates that they are finding it wanting for that purpose. I believe that it is perfectly inadequate as a substitute for national defense. I shall have something to say about that later on. If I thought that the evidence indicated that the Truman-Marshall plan was a preventive of war, of course I would be for it, and every other Senator would be willing to pay this price. But, as I shall undertake to show a little later on, I think by involving ourselves in entangling alliances abroad, by creating unstable and uneconomic conditions there, it acts the other way. I think that when we are calculating the risks we ought also to calculate the additional risks of war that will follow from the adoption of the plan.

Mr. WATKINS. Mr. President, will the Senator again yield?

Mr. KEM. I yield.

Mr. WATKINS. Is it not a fact that within the last few days the peoples of Europe we intend to help, through their government leaders, have shown that they are already aware of the fact that this program will not be sufficient? Is it not a fact that they are now proposing a defensive alliance among themselves, and intimating directly and indirectly that the United States ought to be the guarantor of that alliance with armies and navies and aircraft and whatever it takes to conduct a war? Is not that already appearing on the scene, even before the plan can get under way?

Mr. KEM. I think it is. In presenting the plan in the very eloquent and noble speech made by the senior Senator from Michigan, he spoke of the snuffing out of democracy in Czechoslovakia, and he spoke of the imminent danger to poor, brave little Finland, but on inquiry here on the floor the Senator from Michigan admitted that the situation in Czechoslovakia was not brought about by any lack of economic sustenance or by dire, strained economic conditions. The people there had plenty of food. They had plenty of money. They had been already furnished $300,000,000 by the American people. They had balances in two funds which came from America which they had not drawn down. Yet the infiltration process went on just the same.

Now, Mr. President, in view of that evidence how can we lead ourselves to believe that we are creating, by this wall of dollars, any effective bar to the infiltration of communism?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. This morning's New York Times carries an Associated Press dispatch which is very interesting. It says:

> The new Communist-dominated Czechoslovakian Government has been declared eligible to apply for economic assistance from the $7,961,000,000 International Monetary Fund—

It was announced yesterday by the Director.

That is right in line with the usual procedure of this administration—both sides of every question with no established policy at all. I was informed only a few moments ago that nearly 60

trade agreements have already been made, or are under discussion between eastern and western European countries. As we know, for the facts were put into the RECORD 4 or 5 days ago, England has concluded a trade treaty with Russia under which she is furnishing manufactured goods from raw materials which we are even now shipping to Europe, and intend to ship there under the Marshall plan. Where is the line of demarcation? Who are we really trying to assist? This is simply a "manufacturing in transit" method of furnishing manufactured and processed material to Russia originating in this country.

Mr. KEM. We seem to be working on both sides of the iron curtain. I confess that when I undertake to analyze the foreign policy of the Truman administration the "knees of my mind" give way.

I should like to say further respecting the very pertinent point raised by the Senator from Massachusetts [Mr. SALTONSTALL], that for my part I have calculated the risk, and I have found it not worth taking.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. SALTONSTALL. Then the Senator from Missouri does say that it is a calculated risk, and that adoption of the plan will not mean the helping of our children's children in the future. If the Senator from Massachusetts takes the opposite point of view it is fair to say that he has calculated the risk the other way.

Mr. KEM. Oh, I am sure that is so.

Mr. SALTONSTALL. And that is the whole issue of the present debate.

Mr. KEM. I am sure that any position the Senator from Massachusetts takes will be fair, and the result of careful, deliberate, and patriotic consideration.

Mr. SALTONSTALL. I did not mean to place the question on a personal basis. What I tried to bring out was that it was a calculated risk, and that, in my humble judgment, it was better to take the risk in the effort to prevent war and build up the economies of the other countries, than not to take it. The Senator from Missouri takes the other point of view.

Mr. KEM. What I am undertaking to do today is to present the considerations which led me to the point of view that the risk was not worth taking. After I have finished, it will be a great pleasure to me to listen to the considerations which lead the Senator from Massachusetts to a contrary view.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. DWORSHAK. The Senator will recall that during World War II the United States made available to Russia approximately $11,000,000,000 under the lend-lease program, without having apparently won the respect of Russia or creating any good will on the part of Russia toward the United States. After the end of hostilities the United States, under several programs, made available to Russia and her satellite countries approximately $1,600,000,000. Notwithstanding this financial aid, which is comparable to some extent with the Marshall plan, the puppet states refused to cooperate, and eventually succumbed to the infiltration of communism.

Mr. KEM. I thank the Senator for his contribution. It is very interesting to note that as late as October of last year we were continuing lend-lease shipments to Russia.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Indiana.

Mr. CAPEHART. I presume I should have asked this question yesterday of the able Senator from Michigan [Mr. VANDENBERG]. He is not present in the Chamber at this time. Possibly the Senator from Missouri can answer the question. Why was not Spain made one of the participating nations? Why is not Spain in this plan?

Mr. KEM. Spain is certainly a part of the economic community of western Europe. Since Spain has been excluded, the inference would be fair that it is for political and not economic reasons.

Mr. CAPEHART. I see the able Senator from New Jersey [Mr. SMITH] in the Chamber. I believe he is a member of the Committee on Foreign Relations. Can he tell us why Spain was not included in the agreement?

Mr. SMITH. Mr. President, I do not think I can tell the Senator why Spain was not included. I do not believe it is a wise policy at this time to inject that controversial question into the debate. We did not select the nations which joined in the agreement. When Secretary Marshall made his now famous Harvard speech, he said that we were interested in an over-all plan for Europe. He included Russia and every other nation. Spain was not left out. It was an over-all suggestion that Europe get together and propose a plan whereby she could help to bring about her own recovery and get back on a self-sustaining basis. Secretary Marshall indicated in that suggestion that if such a plan were promulgated we would be interested in doing what we could to help, within our resources. That is where we stopped.

What happened? The question was considered orginally, I believe, by France and England. They invited the other nations to participate. As I recall, they left out Spain. We had nothing to do with that. That was their move. Russia declined to participate. Russia got the satellite countries to decline to participate. The group which did come into the plan consisted of the 16 participating nations about which we are now talking; and subsequently in the development of the plan western Germany, the bizonal area, and the French areas of western Germany were included. That is the way the organization was set up. We had nothing to do with the selection of the countries; but when they got together and made their proposal we at once referred the proposal to our experts.

Mr. CAPEHART. Is it the Senator's opinion that we are to make a separate agreement with Spain to help her?

Mr. SMITH. We have not considered the Spanish situation at all. We have neither accepted nor rejected any proposal in that connection.

Mr. CAPEHART. Mr. President, will the Senator from Missouri further yield?

Mr. KEM. I yield.

Mr. CAPEHART. One of the chief purposes of the Marshall plan, as I gather from the proponents of the bill, from the administration, from General Marshall, and from the able Senator from Michigan, is to help stop communism. It seems to me that Spain has had a great deal of experience in that respect, because she was the one nation in Europe which actually stopped it. She fought the Communists. She has been fighting them for years, and was successful in stopping communism. It seems to me that we might well profit a little from the experience of Spain and her ability to stop communism.

Spain is much closer to Russia than we are. She does not seem to be much concerned about the communistic threat because she was face to face with it many years ago, and she handled the situation, I presume to her entire satisfaction. I cannot understand why Spain is not a part of the European recovery plan. I think I shall ask the able Senator from Michigan, chairman of the Foreign Relations Committee, just why Spain is not a part of the European bloc.

Mr. SMITH. Mr. President, will the Senator from Missouri yield to me for a little further clarifying answer to this question?

Mr. KEM. I yield.

Mr. SMITH. I should like to read into the RECORD the last paragraph under the heading "The participating countries," on page 13 of the committee report, section 8:

> Of all the sovereign states of Europe, Spain was the only one which was not extended an invitation to attend the Paris conference. From an economic point of view Spain might be able to make a contribution to such a program. On the other hand, due to the nature of the Franco regime——

Mr. CAPEHART. What is the nature of the Franco regime, other than having fought communism, which we are asked to spend $5,000,000,000 of the American taxpayers' money to do today?

Mr. SMITH. I did not quite get the point.

Mr. CAPEHART. What is wrong with the Franco regime, other than the fact that for years it has been fighting communism, which the Congress is now asked to spend $5,000,000,000 of the American taxpayer's money to fight?

Mr. SMITH. I cannot answer the question in detail. We know that there has been a great deal of controversy over the whole Franco issue, and there has been a difference of opinion in high circles with regard to it. I shall not try to answer that question, because I am unable to do so. However, I should like to read the conclusions of the committee from its report:

> On the other hand, due to the nature of the old Franco regime, and due to the resolutions adopted at various international conferences, the CEEC countries at the Paris conference did not believe it appropriate or consistent with the spirit of such resolutions to invite Spain to participate at that time.

Obviously it is because of the possible international complications, due to the facts with which the Senator must be familiar, the United Nations. It was not thought desirable to inject that controversy into the recovery plan.

Whether she eventually takes part in the program will depend upon her own willingness to assume the obligations involved, the willingness of the participating countries to admit her, and the ability of Spain to conclude a satisfactory bilateral agreement with the United States.

That is the report of the committee on the subject. I realize that this is a very controversial issue, but I am trying my best to answer the Senator's question with regard to the disposition of the Spanish problem so far as our committee was concerned.

Mr. President, will the Senator from Missouri yield to me for a few clarifying questions?

Mr. KEM. I am glad to yield.

Mr. SMITH. In the opening of the Senator's remarks he referred to the so-called Truman-Marshall plan.

Mr. KEM. Yes.

Mr. SMITH. Am I to understand that it is his purpose, by that reference, to try to make it appear that this is a Democratic proposal? Am I correct in drawing the conclusion that the Senator does not agree with the policy of the Foreign Relations Committee of the Senate? We have tried to study this question from a bipartisan standpoint. The Senator from Michigan, our chairman, had as much to do with developing the plan as did any Member on the Democratic side. I will admit that when I was abroad last summer I did my best to get facts and figures to see if I could in any way implement or strengthen the plan, and to determine, as a member of the Foreign Relations Committee, whether or not it was a plan which we should adopt.

Therefore, I should like to ask the Senator whether he disapproves of a bipartisan approach to our foreign policy. That is my first question. My next question is whether the Senator from Missouri objects to having this plan considered not only a Truman-Marshall plan, if you will, but also a Vandenberg-Smith-Hickenlooper-Lodge plan—in fact, giving credit to all the other members of the committee. We are Republicans, and we are willing to take responsibility for sponsoring this plan, as well as to make clear that it is also a Democratic move.

As I have said, I object strongly to injecting partisanship into this matter. It should be considered from the standpoint of America, rather than from the standpoint of any political party.

Mr. KEM. Mr. President, I agree with the Senator from New Jersey that partisan politics should stop at the water's edge. But I also agree with him that it is extremely unfortunate that this plan should be presented by Democratic partisans to the American people as the product of the Truman administration.

Just a few days ago the junior Senator from Indiana [Mr. JENNER] referred to an address made in his own State, at Indianapolis, by the junior Senator from Rhode Island [Mr. MCGRATH], who also is chairman of the Democratic National Committee, in which address, according to the Senator from Indiana, the Senator from Rhode Island presented this plan to his hearers as a triumph of the Truman administration.

Mr. President, it is either bipartisan or it is partisan. Certainly it is not partisan when being presented to the American people and bipartisan when being presented to the Republican Members of this body.

Mr. SMITH. Mr. President, I agree entirely with the Senator from Missouri, and I would be the first one to deplore an attempt on either side of the aisle to take credit for a plan that ought to be a bipartisan American plan, and not either a Republican plan or a Democratic plan. I think the Senator from Missouri is entirely justified in making his criticism of an attempt to present the plan as solely a Democratic plan.

But I inquire of the Senator whether he now is asking us to take an isolationist position and turn our backs entirely on the question of European recovery? If he is not asking us to do that, I should like to know what his position is.

Mr. KEM. Mr. President, if the distinguished Senator from New Jersey will bear with me, I think as my argument develops his questions will be fully answered, insofar as my own position is concerned.

Mr. SMITH. I should like to ask this question, then: Do I correctly understand that the Senator from Missouri in his argument is advocating that we take an isolationist position in regard to the situation in Europe? I get that impression, and I should like to be certain about the matter as the Senator's argument proceeds.

Mr. KEM. Mr. President, at this point I do not wish to take time to answer any "Will you stop beating your wife?" questions. It would take too long to do that.

Mr. SMITH. I regret that the Senator construes my question in that way.

Mr. KEM. I do not wish the Senator from New Jersey to hang me on an isolationist nail or on an internationalist nail. I wish to proceed with my own argument and to develop the points I have in mind.

I wish to be courteous to the Senator from New Jersey and to all other Senators, and I appreciate the careful attention the Senator from New Jersey has been kind enough to give to what I have had to say. If he will bear with me a little further, I think his questions will be fully answered.

Mr. SMITH. In line with the Senator's reference to nails, let me point out there is a saying that when you are not quite sure which way you are going, you hang your hat on a hook. Would that be a legitimate point to make in this connection?

Mr. KEM. If the hook were located between the two nails, perhaps it would be.

Mr. DWORSHAK. Mr. President, will the Senator from Missouri yield to me?

Mr. KEM. I yield.

Mr. DWORSHAK. I am sure the Senator from Missouri and all other Senators are in full accord with the sentiment expressed by the Senator from New Jersey that what we need is an American policy, not either a Democratic or a Republican policy. But is it not appropriate to point out that during the 2½ years since the cessation of hostilities, we have had, not a bipartisan policy, but, in reality, the policies formulated by the Chief Executive with the aid of his assistants in the State Department. Throughout that 2½-year period the Congress of the United States has gone along completely with those policies, although we must confess here—and confessions are made every day by Members of this body—that those foreign policies have not been successful, and that after spending more than $20,000,000,000 during that 2½-year period in giving aid and encouragement and seeking to build up good will in Europe to supplement and support a so-called bipartisan policy, the fact is that we have not succeeded, but that today we are facing a more critical and acute situation in Europe and elsewhere throughout the world, not because of the failure of a bipartisan policy, but because of the failure of the Truman policy, the policy which has been outlined by the Democratic administration.

Mr. KEM. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr. COOPER. I have been interested in the exchange between the Senator from New Jersey and the Senator from Missouri concerning the authorship of this plan, and also the statements made placing blame or credit, as the case may be, for the authorship.

I advance the idea that perhaps this body itself had some part in its authorship. About a year ago, when we were discussing the matter of loans to Greece and Turkey, it was said in this body again and again by members of both parties—and I believe by the Senator from Missouri—that this body would not longer follow the policy or practice of making grants for relief to European countries, and if further aid was to be given it would be only for the economic rehabilitation of Europe.

I have always believed that the seeds of this program were planted in that debate. I believe that the senior Senator from Michigan [Mr. VANDENBERG] said, as did practically every other Senator who spoke upon that measure, that relief grants must be ended.

It was not until after that debate, in which the idea of rehabilitation was advanced, that Mr. Dean Acheson made the first speech upon which this program is based. In a few weeks it was followed by the speech of Mr. Marshall at Harvard.

Without trying to place the authorship of this measure upon any particular person, I assert today that its beginning may well be found in the declarations made in this body itself during the debate upon the Greek-Turkish loans.

Mr. MALONE. Mr. President, will the Senator from Missouri yield to me, to permit me to ask a question of the Senator from New Jersey?

Mr. KEM. I yield.

Mr. MALONE. I should like to ask the Senator from New Jersey exactly what is this bipartisan policy which he so ably espouses? In other words, we are trying

to stop communism, according to all the explanations which are made; and this is said to be a considered risk, with $17,000,000,000 added to the $24,000,000,000 which we have used for such purposes since the end of the Second World War.

I should like to know just what the Senator from New Jersey would be willing to do; and I should also like to know whether the State Department has ever said what it will do if we do not stop communism in this way. Has it named the nations that we must currently protect for our own ultimate safety, and has it said what it intends to do in the event money does not stop communism? Has the State Department done that, and is the Senator from New Jersey willing to do it?

Mr. SMITH. Mr. President, perhaps we approach the problem from different angles.

The whole purpose of the so-called Marshall plan has been to give our aid to the resistance to the spirit of communism, and also to add our aid to the rehabilitation of the countries which have gotten back on their feet and have had courage again to let the democratic impulses which they would like to express have a chance to get ahead.

In view of the present situation in Europe, with the demoralization, the undernutrition, the balance-of-trade problems, and the other economic problems, those countries cannot guard their lines effectively against the movement which has occurred in Czechoslovakia, for instance, and is threatening to engulf other nations from time to time. It is the idea of giving a person strength when he is sick, of restoring him to health, so that he can express his best self in the kind of philosophy that he wants to see the rest of the world have. It is that theory, at least, on which I have been working. I cannot speak for my colleagues, but I think that is what is motivating us in our belief that this is the right kind of approach, and that this calculated risk, as has been said, is worth taking to see if we cannot save the situation by this route.

Mr. MALONE. Mr. President, will the Senator yield for one more question?

Mr. KEM. I yield.

Mr. MALONE. I presume—I must presume—that we consider the best interests, if not the safety of the United States, to be involved in what we are doing. I have been through two wars. We were backed into each of the two world wars, denying we would fight, and utterly unprepared to fight, even as we are today. Czechoslovakia has been lost, although we supplied that country with a large amount of money. The press indicates this morning that we are ready to loan still more money to Czechoslovakia, after the Communists are in power there. Would it not be much better to keep separate the feeding of hungry people and the rehabilitation of industry, putting the feeding of hungry people on a charity basis and the rehabilitation of industry on a sound business basis, and leave the policy of what nations we must defend for our own ultimate safety to the State Department and the President of the United States as the Constitution provides, as President Monroe did in 1823, when the same problem presented itself? Only then it was not called communism, it was called domination of other and weaker nations for trade purposes, which is what some other nations are now doing, including Russia. Our ultimate safety was then threatened by that action, according to President Monroe. The question is now as it was then, what areas—naming the nations—of the world must we currently protect for our own ultimate safety. We have never discussed that all-important question with the American people, through the two world wars and now the Marshall plan.

Mr. SMITH. I think, if I understand the Senator's question, we are certainly in a sense doing that because the Greek-Turkish program was put in that position. We implied that we were going to try to hold the fort there. We implied in the Austrian-Italian-French interim aid that we were holding the fort there until we could get a rehabilitation program under way, to the end that those countries might continue to resist. I think in that sense we certainly have indicated certain areas in which we feel special help has to be given. But we did want to get into the picture, not merely the fact that these people were in a sense dependent upon us for protection, but that we desired all Europe to be strengthened, to the end that the various nations might stand on their own feet. That is what the Marshall plan does. That is why I am supporting it with so much eagerness.

Mr. MALONE. To clarify the atmosphere, let me suggest that we have been throwing money throughout the world ever since World War I for the same purpose. In 1939 we stood in the same category with respect to World War II. We are now in the same category with respect to World War III. I think the Senator from New Jersey will admit that.

Mr. SMITH. I do not quite agree with the implications of that statement, because I think we have made the mistake in the past of feeling when we were called on for relief, that, as our hearts were large, we wanted to give relief. It was because we could not go on in that way, giving relief as much as we wanted to, that we said, "It is necessary for you who live in Europe to work out some program whereby you can become self-sustaining again." That is the program with which we are dealing now. It is not a relief program. The two things are quite different. Unless they show progress toward the goals which they are setting up for themselves, we shall cut off this aid, any day. It is because we have got it on a progressive scale, because we have got it on a scale that we can watch from day to day, on a scale that we can watch to see whether it is accomplishing the approach toward self-sufficiency, that we are going into this plan, to strengthen the countries of western Europe, to enable them to withstand the onslaught of communism, which is now spreading into one country after another.

Mr. MALONE. I beg the Senator's pardon for asking him to yield for one more question to my distinguished colleague from New Jersey.

Mr. KEM. I yield.

Mr. MALONE. I submit that, as everyone knows, we are now in worse condition with Greece than we ever were before. Are we quitting or are we going ahead? What shall we do if money does not stop the encroachments of communism? Are we ready to go to war?

Mr. SMITH. It is a very relevant question. That is the question we have got to face. I do not know. I should say we must be prepared to back up what we are trying to do; there is no evidence that we are not. Let me say to the Senator that in the hearings the question was raised: Which is going to cost us more in the long run, to take on this program, plus the military program, involving the figures we have before us, or to abandon the program entirely, retreat into isolation, and take on a much larger budget in order to protect ourselves from the impending World War III?

Mr. MALONE. Mr. President, I deeply resent the implication of isolationism. When any question is raised of our lack of foreign policy, the propaganda is thrown out and the cry of isolationism or communism is raised.

We need a foreign policy. We talk of a bipartisan policy. We do not even have a foreign policy—it is a hybrid thing, on both sides of every question as the evidence over the years will show.

We now defy the largest nation in the world beyond our borders—utterly unprepared to back up our words—and without at this moment any sensible plan to rebuild our military organization, spearheaded by an air corps to enforce our words.

Do our own words make sense in determining what we will do if we meet with opposition and our contributions do not stop the opposition?

Only the State Department can fix the foreign policy in regard to the areas and nations whose integrity we must currently protect for our own ultimate safety—and over a period of 15 years they have refused to tell the American people and the nations of the world what our policy is to be. We need to reestablish integrity in our own Government.

We have two reports: one, a report from the Congressional Aviation Board, the other, a report from the Truman Aviation Board. The two reports very nearly agree that it will cost $16,800,000,000 to prepare our air corps, to enable us to currently protect any area or nation which we decide is necessary for our ultimate safety. Until we do that or get such a program under way, we are whistling in the dark.

What will we do if this situation continues? Shall we take a stand—naming the areas that we consider as necessary to protect for our own ultimate safety—or shall we continue to expend our substance throughout the world and then back up when our hand is called? And knowing the possible implications of what we are doing shall we continue to whistle in the dark, or adopt a definite program of rebuilding our military organization spearheaded by an air corps

that can keep any belligerent nation on the ground? The Communists have taken over Czechoslovakia. They will take over Finland. They may take over Italy. What are we prepared to do about it? Are we going to let them believe again that the United States will not fight, so that they may continue to encroach upon the territories of other nations? Are we going to make our position clear? Are we prepared to appropriate another $17,000,000,000 in order to do that? Are we prepared to announce a definite foreign policy to our people and to the nations of the world? That is all I ask. Tell our own people the truth.

Mr. SMITH. The Senator will probably agree that the cost will be $17,000,000,000 whether we do it this way or not.

Mr. MALONE. We are not doing anything now that makes sense. We are not preparing to back our play; and, in fact, few if any know what the play is. No definite policy has even been discussed by the State Department or the President of the United States.

Mr. SMITH. I agree with the Senator that we must be adequately prepared. I have always realized the necessity of America's being strong for any eventuality. I shall always take that position. That still does not to my mind answer the question of whether or not we should take on this program.

Mr. MALONE. Mr. President, the Senator from New Jersey brought up this question himself. He says it is necessary to protect Greece, for our own ultimate safety. He is the only supporter of the legislation who has ever said we would protect Greece. The State Department or the President has never made such a statement. Is the Senator fixing the foreign policy for the administration, and if he is, what would he do in Greece if someone calls our hand there?

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I do not have the floor.

The PRESIDING OFFICER (Mr. WATKINS in the chair). Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. KEM. I yield.

Mr. LODGE. I should merely like to say to my able friend from Nevada, I agree with him 100 percent that we ought to be in the strongest possible military posture. I offered an amendment here last year to the appropriation bill to provide funds for a 70-group air force. As I recall, the Senator from Nevada voted with me at that time.

Mr. MALONE. I shall vote with the Senator again, too, if we could fix a foreign policy and get back on that subject—but we have no foreign policy.

Mr. LODGE. I am going to offer it again, unless the committee puts the figure in. I think we have got to get our armed forces up to strength just as quickly and as effectively as possible. I should like to say to my friend, though, that I think something has been accomplished in Greece. It is a slow business, but I believe that the American military mission has got an idea of what can be done as a result of a year's experience there that it did not have before, and I am quite sure that if we had done nothing we should be much worse off than we are today.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Washington.

Mr. CAIN. With the Senator's permission, I should like to address an inquiry to the very distinguished Senator from New Jersey, in the hope that it may be of some help to my thinking and to the thinking of others.

Mr. KEM. Very well.

Mr. CAIN. The Senator has spoken very feelingly and in my opinion quite properly about the need for a bipartisan or an American foreign policy. I take it that with reference to a part of that bipartisan or American foreign policy it is being developed on the floor of the Senate during the days of this debate, but it is only a part of that foreign policy. I happen to be only one of many Senators who are most sympathetic with the problems of the world in which we live. We are going to go even further than logic indicates we ought to go in supporting this program.

But we are not being exactly fair to the American people, from my point of view, because we are not able to be accurate with reference to an adequate answer to their questions. When we get through we can tell them all there is to be known about the Marshall plan, but we cannot tell them what will happen if the Marshall plan should fail.

In a colloquy on the floor of the Senate recently between the distinguished senior Senator from Michigan [Mr. VANDENBERG] and the equally distinguished Senator from Minnesota [Mr. BALL], the senior Senator from Michigan could not answer the question propounded as to what the administration had in mind with reference to that portion of our foreign policy which is to be imposed if that which we are trying to do here should fail. I do not know how we can obtain answers to the questions the American people are asking, but I think it is highly proper that we raise on the floor of the Senate such questions to be answered by the Senators who are members of the Foreign Relations Committee. We must look to them for advice and guidance as to what we are to say to the American people with reference to the line we intend to lay down beyond which communism may not go.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LODGE. It is perfectly possible to lay down a line beyond which we would not tolerate military aggression, but it is not possible to lay down a line regarding the right of a people voluntarily to adopt a political document which they do not like. We cannot lay down such a line.

Mr. CAIN. I agree with the Senator as to that portion of my remarks. If the Senator will permit me to come back to the point with respect to which I hope the Senator from New Jersey will help some of us, namely, the creation of a bipartisan foreign policy, it cannot be a complete policy unless the administration is in agreement with the Congress on more portions of our foreign policy than the so-called Marshall plan. There is a genuine feeling, deep down within many of us, that we cannot get any knowledge as to where we are likely to go in the future in terms of military security. Let me say to the Senator from New Jersey that I shall support the program, but I am frightened about it. I have no conviction regarding it except on the basis of hope, because the United Nations, which presumably was created to keep war from devastating the universe in the future as it has in the past, has not successfully operated. There have been resolutions before the Foreign Relations Committee of the Senate in recent months intended to express the wish and the will of the Senate and to direct the President to take steps within the United Nations to strengthen its collective security provisions. Those steps have not been taken. So, however hopefully we support the Marshall plan, there is great cause to be frightened because we possess no knowledge concerning how the free nations of the world in military concert with each other will stand together or protect each other in case of trouble or war.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LODGE. I should like to point out to the Senator from Washington that since the "snatch" was put on Czechoslovakia, five nations of western Europe have gotten together and they appear to have arrived at a military understanding, which certainly is a very dramatic forward step when compared with the failure of European nations to get together in the past. I hope and believe the Senator from Washington regards that as an encouraging development, because I think it is encouraging.

Mr. CAIN. I read of that development with the greatest possible interest, but it is being done, as I understand, by nations which have removed themselves from the United Nations. What some of us are looking for is the exercise of greater strength and leadership by the American Government within the United Nations.

Mr. LODGE. I think article 51 of the United Nations Charter permits and contemplates the creation of regional agreements. I do not think the agreement of which I am speaking is in any way a violation of the spirit of the United Nations. On the contrary, I think it is probably an enhancement of it.

Mr. CAIN. I did not mean to be critical of it in that sense; but the United States was not a participant, so far as I know, in the knowledge of what was going on in Europe before it actually took place.

Mr. LODGE. I think the United States had a very good idea.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. I want to make myself entirely clear once and for all. I am only 1 of 96 Members of the Senate. I deeply resent any implication that anyone who insists on discussing this subject and

breaking it down so that it will make some sense is either a Communist or an isolationist.

What we should like to do is to go on from the point of feeding the hungry people, if there are still hungry people. This Congress is ready to discuss further appropriations for that purpose to the extent that our own country can withstand the impact without further inflation. With their people fed, and our foreign policy established, then we are ready to discuss the rehabilitation of their industrial plants on a business basis, which has already been presented to the Senate.

There are 18,000,000 persons in the United States today who have been in one or both of the world wars. Yet, there are those who say that we cannot discuss the matter of international policy with the American people; that we must lead them along as was done in 1914 and in 1939, when it was known that we were going to war, but denied by our leaders. I think we should forthwith discuss the pressing questions of foreign policy with our experienced men—the leaders of the armed services, the Committees on Armed Services in both Houses, and with the chairman of the Joint Committee on Atomic Energy—and let the world know where we stand and what our policy really is. The sum of $16,900,000,000 now recommended for an adequate air corps 4-year program, recommended by our own Congressional air corps board and concurred in by the President's air corps board, could be adopted forthwith and leave enough money to meet the demand for the rehabilitation of European industrial plants on a business basis. What this bill provides, and what we intend to do—and it will develop on the floor of the Senate after it is in effect—is to have our Government refrain from giving European governments money with which to nationalize existing industrial plants and to construct new plants which will be government-owned.

As a matter of fact it is well known that they have driven more money underground in their own countries by their nationalization and socialization of property plans than is involved in the Marshall plan. It is well known that they have stopped private investors of other countries, including our own, from investing in Europe because they will not safeguard such capital. Spain has sent a representative to America to negotiate a loan. Spain respects the integrity of investments there and wishes to borrow money to rehabilitate her industry. That procedure makes sense to me; and if the 16 Marshall-plan countries would turn honest and again respect the integrity of private investments, in the same manner as we protect the investments of the nationals of such countries, then they would not need the Marshall or any other plan.

The question has been raised here as to why Spain is not included in the Marshall plan. Spain protects the integrity of private investments, and as a result does not need money to be presented to her Government as a gift. It proves our point that the Marshall-plan countries' own actions make necessary gifts of money from our own Government.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from New Jersey.

Mr. SMITH. Mr. President, I regret if I gave offense by my question to the Senator from Missouri in regard to isolation. All I meant was whether he was advocating withdrawing entirely from the European scene.

Mr. MALONE. Tons of propaganda go out to that effect every day, and the Senator has mentioned it three times, implying anyone wanting to make some sense out of our foreign-policy procedure is either a Communist or an isolationist. It is preposterous and mischievous, and is not calculated to improve our world position or protect our own ultimate safety.

Mr. KEM. Mr. President, I shall merely postpone my answer to the question. I should like to say to the Senator from New Jersey that I shall deal with it fully later on in the remarks I have to make.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Idaho.

Mr. DWORSHAK. While we are discussing the question of isolationism I should like to address an inquiry to my friend from New Jersey and ask him who it was last year who isolated poor little Italy. There were only 10 Members of the Senate who voted against ratification of the treaty with Italy, which isolated Italy by withdrawing American troops and by forcing Italy to adopt restrictions whereby its military forces became so small in number that Italy became more vulnerable to the expansion and the threats of communism. Who was guilty of isolationism when this body ratified the Italian peace treaty? I ask the Senator from New Jersey that question.

Mr. SMITH. I think it is a very fair question, and I admit that I voted for ratification of the Italian treaty. I also admit that I may have made a mistake in so doing. I never hesitate to admit it if I think there is anything questionable that I did in the past. I do it with absolute sincerity. I am glad the Senator asked the question, and I am very glad to make that statement.

Mr. DWORSHAK. I certainly wish to apologize if anything I said seemed to impugn the motives of the Senator from New Jersey, for that was far from my mind. But in view of the fact that we persistently discuss this so-called approach of isolationism, I am sure the Senator from New Jersey will agree with me that if isolationism has ever been exemplified on the floor of the Senate in the past year or two, it was on the occasion when this body did in fact isolate Italy. Is not that true?

Mr. SMITH. I will not go that far, although that might have been the effect. But I can say for myself that the moment I voted to ratify the treaty with Italy, I had no intention whatever of isolating Italy. I was doing only what I thought was in the best interests of the Italian people and of peace in Europe.

Mr. DWORSHAK. I know, of course, the Senator was sincere, but the result has been an element of isolationism, so far as my opinion is concerned.

Mr. SMITH. We must realize that there are changes in conditions every day. In propounding my question to the Senator from Missouri, all I was trying to bring out was whether he thought we should withdraw from Europe, or had some alternative which he would develop in his address. That was the only purpose of my question.

Mr. WATKINS. Mr. President——

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Missouri yield to the Senator from Utah?

Mr. KEM. I yield.

Mr. WATKINS. I should like to ask the Senator from Missouri whether he regards the policy we had in China, when we sent Marshall there, to get the Nationalists and the Communists together, as a bipartisan policy.

Mr. KEM. I have become very much confused by the various labels placed on this policy. Apparently when it is sent to the Senate for approval, and the administration is dangling for Republican votes, it is presented as a bipartisan policy. When the Chairman of the Democratic National Committee goes to Indiana and speaks to a Nation-wide audience of voters, it becomes the Truman policy. Its chameleon-like character is very confusing.

Mr. WATKINS. Will the Senator yield for a further question?

Mr. KEM. I yield.

Mr. WATKINS. Was the Potsdam agreement the result of a bipartisan policy on the part of the United States?

Mr. KEM. As a Republican I should not like to feel I had any responsibility for the Potsdam agreement.

Mr. WATKINS. Is the policy of reparations with respect to the dismantling of necessary plants in Germany, which we are now required to help rebuild, a bipartisan policy?

Mr. KEM. The Senator from Missouri would like to be excused from any responsibility for that portion of the program also.

Mr. WATKINS. Would the Senator say that the ratification of the treaty with Italy, which rendered Italy practically defenseless, was also the result of a bipartisan policy?

Mr. KEM. The recollection of the Senator from Missouri is that he voted for the ratification of the treaty with Italy because it was brought to the Senate with the approval of the Senate Committee on Foreign Relations. Perhaps the Senator feels now he made a mistake in doing so. I should like to say to the Senator from Utah, however, that I voted against the Greek-Turkish so-called Truman doctrine, and never from the day that vote was cast have I had any cause to regret it.

Mr. WATKINS. I should like to ask the Senator another question. Were the decisions made at Yalta the result of a bipartisan policy, decisions which gave Russia a free hand in Poland, in Manchuria, and in certain parts of the east, gave her the Kurile Islands, and gave her certain other free territory or

spheres of influence in the Balkans—were they the result of a bipartisan policy?

Mr. KEM. I seem to recall reading in the memoirs of Justice Byrnes, who was then the Secretary of State, that even he was not permitted to be present at the time the important agreements of the Yalta Conference were reached. If the then President of the United States was not consulting even with the members of his own Cabinet, particularly the member charged with the peculiar responsibility of handling our foreign policy, hardly can it be said that members of the Republican Party have any responsibility for the very unfortunate decisions reached on that lamented occasion.

Mr. WATKINS. Let me make an observation, if the Senator will yield further——

Mr. KEM. I yield.

Mr. WATKINS. Most of the troubles we have today grow out of those so-called policies adopted years ago. Even the necessity, as our friends allege it is, for the so-called Marshall plan grows out of mistakes and blunders one after the other in the course of history during the latter part of the war and since the war. In my judgment, none of the policies were bipartisan policies. So when it is said that our foreign policy has been bipartisan, I hope we will be accurate and say that only on certain occasions is there any right to make to the world the assertion that these policies were bipartisan. As one Republican, I disclaim any bipartisanship in the policies I have mentioned to the Senator from Missouri.

Mr. COOPER. Mr. President, will the Senator from Missouri yield?

Mr. KEM. In just a moment. I should like to check out on these policies. Speaking as an American, and not as a partisan, I hope I will be believed when I say that Potsdam and Yalta are two of the blackest pages in American history.

I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I do not desire to interrupt the Senator's very interesting and erudite discussion, but I am interested in his inquiry into the bases upon which the European recovery program rests and the discussion that he has provoked.

I do not believe that we can justify or condemn this program merely because of some name it bears or because of some action which has occurred in the past. It seems to me that it is more appropriate to determine whether or not the program is in conformity with what we understand to be the traditional and fundamental elements of American foreign policy.

For myself, I suggest that, despite the fact that the European recovery program has been termed by some an innovation, or a new aspect of our foreign policy, it might well be considered that it rests upon three fundamental and traditional principles of American foreign policy.

The first, I believe, is the mere act of providing aid for the needy peoples of other countries. We have done this traditionally and consistently throughout the history of this Nation. I recognize that there must be limitations upon this practice, but I can think of no group which deserves aid more than those nations which shared in our war sacrifice.

The second is that referred to so often as the principle of self-determination. I have not liked the statement that is made again and again that this policy is directed merely to saying to some nation, "You cannot have communism." I think it would be better grounded if we say that we will help the 16 participating nations have the free opportunity to deny communism and that we will assist them in establishing an economic condition which would enable them to make a free choice for themselves. We have faith that given a free choice they will not choose communism.

If we apply the principle of self-determination, we can distinguish between actions taken at Yalta and Tehran with which we do not agree and the action proposed to be taken under the pending bill. I think we would all agree that certain decisions made at Yalta, Tehran, and Potsdam violated the principle of self-determination in their moral if not political abandonment of weak nations and are repugnant to us because they were not in conformity with the traditions of this country. I call to your memory that the distinguished senior Senator from Michigan [Mr. VANDENBERG], in action at San Francisco in the framing of the Charter of the United Nations and in speeches he has made, has emphasized the great principles of self-determination and of justice. He has said again and again that our foreign policy must be based upon principles in which the United States believes.

Finally, I would say that the program now presented rests upon the most important element of our foreign policy, namely, security. If we consider that present conditions in Europe endanger or will lead to the endangering of this country and its security, then certainly it is consistent to take the course of this program in the interest of our security.

I suggest to the very able Senator from Missouri, therefore, that in my opinion the program presented in the measure we consider does rest upon very strong fundamental principles of American foreign policy.

Mr. KEM. Mr. President, I will say to the Senator from Kentucky that if he can reconcile the views he has just expressed with the views expressed by the senior Senator from Michigan when presenting the program I shall be surprised. If this is a program for stopping communism it certainly is not a program for the recognition of the principle of self-determination. It cannot be both. If it is not a program for stopping communism how can it be a program for preventing world war III, as was suggested by the senior Senator from Massachusetts?

Mr. President, in developing my argument I had referred to the fact that the price level at home is indissolubly connected with these establishments abroad; that the high cost of giving is an important element in the high cost of living. Then I was continuing to present the proposition that our traditional capitalistic economy is threatened by the Truman-Marshall plan. The President himself, in his state of the Union message, recognized this need when he said that—

> At least $50,000,000,000 should be invested by industry to improve and expand production facilities over the next few years.

You may wonder, Mr. President, what all this has to do with the Truman-Marshall plan. It has this to do with it: If this country is to expend $17,000,000,000 for the recovery of western Europe during the next 4 years, taxes as a result must be kept higher than would otherwise be necessary, and savings available for capital investment will be correspondingly reduced. Furthermore, vast quantities of farm and industrial machinery and other capital goods would be given to the 16 Marshall-plan countries, further weakening our capacity to produce. Ex-President Herbert Hoover, commenting on this situation, said:

> The greatest danger to all civilization lies in the possibility that the United States will impair its economy by drains which cripple its own productivity. Unless this one remaining Gibraltar of economic strength is maintained, chaos will be inevitable.

Beginning with the New Deal system of discouraging savings, soaking the rich, and spending ourselves into prosperity, this Nation for the last 15 years has been following a policy of "eating our seed corn." The Truman-Marshall plan is simply an extension of these policies on an international scale. Will it lead us to the ultimate downfall of our present economy?

The United States would do well to study the experience of Great Britain. British economists generally agree that the reasons for the economic downfall of their country have been primarily (1) that British industrialists failed to plow back enough of their profits into plant expansion and modernization, and (2) that the confiscatory income-tax policy Britain has followed since World War I drained away the sources of new capital.

America simply cannot afford to postpone her own capital development in order to finance Europe's present socialistic practices and policies for another 4 years. I voted, Mr. President, for the interim-aid bill last December. I cannot go along with this vast program for internal improvement in 16 countries of western Europe.

If we postpone our own capital development American industrial progress will go down and out and we will join the poverty-stricken nations of Europe on the road to socialism and industrial chaos. But there will not then be a benevolent America to which we can appeal for aid.

D. THE WELFARE OF THE PEOPLE SHOULD BE OUR FIRST CONCERN

Mr. President, it is sometimes helpful to get back to bedrock principles, and from there to take our bearings. There is written on the great seal of the State of Missouri the quotation, "Salus Populi suprema lex esto"—let the welfare of the people be the supreme law. It is hardly necessary to refer in this presence to the basic principle that the welfare of our own people—that is, the welfare of the people of the United States, and not the people of any foreign land across the sea—should be the first concern of the

Congress of the United States. The emotional interest exhibited in some quarters today in favor of distributing among the peoples of foreign lands the wealth accumulated in this country by many generations of thrifty and frugal-minded people appears to be one of those strange emotional manias, or moral epidemics, which have excited the minds of men from time to time at various periods in the world's history. There is an interesting book on this subject in the Library of Congress. It is written, strangely enough, by an Englishman, L. C. Mackey. It is entitled, "Extraordinary Popular Delusions and the Madness of Crowds." The author says:

> In reading the history of nations, we find that, like individuals, they have their whims and their peculiarities; their seasons of excitement and recklessness, when they care not what they do. We find that whole communities suddenly fix their minds upon one object, and go mad in its pursuit; that millions of people become simultaneously impressed with one delusion, and run after it, till their attention is caught by some new folly more captivating than the first (preface, p. xix).
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> Every age has its peculiar folly; some scheme, project, or phantasy into which it plunges, spurred on either by the love of gain, the necessity of excitement, or the mere force of limitation. Failing in these, it has some madness, to which it is goaded by political or religious causes, or both combined. Every one of these causes influenced the Crusades, and conspired to render them the most extraordinary instance upon record of the extent to which popular enthusiasm can be carried (p. 354).
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> If two or three persons can only be found to take the lead in any absurdity, however great, there is sure to be plenty of imitators. Like sheep in a field, if one clears the stile, the rest will follow (p. 613).

This interesting book, originally published in 1841, was reprinted in America in the year 1932 and published by L. C. Page & Co., of Boston. For this American edition a special preface was written by a distinguished American, who recently appeared as a witness before the Senate Foreign Relations Committee, the Honorable Bernard M. Baruch. In reading Mr. Baruch's testimony before the Senate Foreign Relations Committee, one cannot help wondering whether, in testifying in 1948, he forgot what he had written in 1932. In the latter year, in the preface to the book, Mr. Baruch wrote:

> All economic movements, by their very nature, are motivated by crowd psychology. Graphs and business ratios are, of course, indispensable in our groping efforts to find dependable rules to guide us in our present world of alarms. Yet I never see a brilliant economic thesis expounding as though they were geometrical theorems, the mathematics of price movements, that I do not recall Schiller's dictum: "Anyone taken as an individual is tolerably sensible and reasonable—as a member of a crowd, he at once becomes a blockhead," or Napoleon's maxim about military masses: "In war the moral is to the physical as 3 to 1." Without due recognition of crowd thinking (which often seems crowd madness) our theories of economics leave much to be desired. It is a force wholly impalpable—perhaps little amenable to analysis and less to guidance—and yet, knowledge of it is necessary to right judgments on passing events.
>
> The migration of some types of birds; the incredible mass performance of the whole species of ocean eels; the prehistoric tribal human eruptions from central Asia; the Crusades; the medieval dance crazes; or, getting closer to economics, the Mississippi and South Sea Bubbles; Tulip Craze; and (are we too close to add?) the Florida boom and the 1929 market madness in America and its sequences in 1930 and 1931—all these are phenomena of mass action under impulsions and controls which no science has explored. They have power unexpectedly to affect any static condition or so-called normal trend. For that reason, they have place in the considerations of thoughtful students of world economic conditions.
>
> Although there be no scientific cure, yet, as in all primitive, unknown (and therefore diabolic) spells, there may be potent incantations. I have always thought that if, in the lamentable era of the new economics, culminating in 1929, even in the very presence of dizzily spiraling prices, we had all continuously repeated "two and two still make four," much of the evil might have been averted. Similarly, even in the general moment of gloom in which this foreword is written, when many begin to wonder if declines will never halt, the appropriate abracadabra may be, "They always did" (preface, p. xiv).

So, Mr. President, Mr. Baruch has put on warning to keep in mind that two and two always make four.

It may be worth noting that what is perhaps the strangest and most foolish of all these exhibitions of social phenomena, the Children's Crusade of the Middle Ages, was conducted under the guidance of the highest authorities of the church, and with the approval of what would otherwise be regarded as the wisest minds of Christendom.

Now, Mr. President, let us look calmly and dispassionately, bearing in mind that two and two make four, at some of the probable effects of the Marshall plan, not on the people of Europe, but on certain classes and groups of our own people.

1. FARMERS

During the recent war years American farmers were urged to produce more and more as their contribution to the war effort. With an acute shortage of labor and machinery handicapping them, our farm men and women did a remarkable job of feeding our factory workers here at home and our soldiers and allies abroad. After the shooting war was over, this country continued to supply large amounts of foodstuffs to the rest of the world, and the farmer was urged to keep production high.

One of the effects of this high-production policy has been the placing of a tremendous burden on our soil. It has been estimated that if such a policy were continued for the next 5 years, from ten to twelve million acres of soil would be threatened with permanent loss of fertility. Too much has already been taken from the soil and too little returned to it. The bottom of America's foodbasket is growing thin. Despite this condition, vast amounts of fertilizer would be given to European countries under the Truman-Marshall plan to build up their land while our farmers here at home are often unable to get fertilizer at all.

A. M. Pritchett, of Pacific, Mo., has put it this way:

> One of the major problems facing our country today is high prices, and the only thing that can bring them down is more production, and we farmers cannot increase production with poor land.

Both our Government and our farmers have long struggled with the problem of soil erosion. Erosion has already ruined, or badly damaged, 282,000,000 acres of our land, or approximately the total combined acreage of the six States of Missouri, Kansas, Iowa, Nebraska, Minnesota, and Illinois, and 770,000,000 acres more of our land has eroded to some extent. Expressing the same idea another way, one-fifth of the original tillable land of the United States has been ruined and one-third of that remaining has been badly damaged. Further, it is estimated that 500,000 acres are being allowed to go to ruin each year. Ninety percent of the farm land subject to erosion is still without adequate protection.

In fact, despite relatively high farm incomes, at least some farmers are finding it more profitable to move to metropolitan areas and seek employment there. Since 1940, 2,500,000 families have left the farm areas of the United States. For instance, in Missouri, since 1940 there has been a definite migration of farm people, producers on the land, to the cities from 95 rural counties out of a total of 114 counties. My native county, Macon County, Mo., suffered a loss of 24 percent of its population during the past 7 years. This experience was by no means unique. Maries County in central Missouri showed a decrease in population of 28 percent of its residents in the same 7-year period since 1940. Most central and northern Missouri agricultural counties dropped in population. Knox County had a loss of 18 percent; Gentry County, 22 percent; Daviess County, 22 percent; Reynolds County in the Ozarks, 20 percent; Worth County, 21 percent.

I invite the attention of any Members of Congress who are interested in American fertilizer for the valleys of the Yangtze, the Danube, the Oder, the Rhine, or the Thames, to these figures. The good earth of America seems to be yearning for food as well as the good earth of China.

The most important factor in this movement has been the progressive decline in the fertility of the soil remaining for cultivation.

The need for a comprehensive and well-planned flood-control program in the Missouri Valley region was accentuated by the disastrous floods last spring, with resulting smaller grain crops than would otherwise have been harvested. Several flood-control plans have been advocated by some as a desirable method of solving this problem. One thing all the plans have in common. They all will cost a great deal of money. We should be, we must be, impressed with the fact that there are problems here at home pressing for our attention. They require immediate attention if we are to remain strong and continue as the bulwark of democracy. The United States, as the last barrier in the path of totalitarianism, cannot afford to

weaken herself by huge additional grants of foreign aid to the point where we will be as vulnerable to communism as those we are seeking to aid.

Of particular interest to farmers is the fact there are still 1,517,000 miles of dirt roads in the United States. The job of pulling this country out of the mud has only begun. Most farmers, at one time or another, have had the experience of pleading and arguing with their local county courts or boards of commissioners in order to have a little gravel applied to their roads.

If, instead of pouring $24,000,000,000 into "operation rat hole" since the end of the war, we had applied it to a solution of these problems confronting our farmers, we could have limed, fertilized, and terraced every acre of good farm land in the United States, paid for the Pick-Sloan Mississippi Valley flood-control plan, and still would have had ample funds to gravel every dirt road in the United States and build 7,000 miles of two-laned concrete highways.

If, instead of throwing a good $17,000,000,000 away on the Truman-Marshall plan, we applied it to these problems, we still could make all the improvements in our soil I have just described, and still gravel every mile of dirt road in the country.

Mr. THYE. Mr. President, I wonder whether the Senator from Missouri will yield at this point?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. KEM. I yield.

Mr. THYE. I have followed the Senator's discussion and argument very carefully and very closely. When he speaks of $17,000,000,000 as the possible cost in connection with the recovery program and the rehabilitation of the European countries, I cannot help but think first in terms of the devastation which followed in the wake of war, and of the disheartened people and of the broken and chaotic economic conditions which must exist in those nations. I can only look back in my own memory to 1918, when I was in Europe in the First World War; and that gives me something of a bird's-eye view of what the devastation of World War II must have been in those countries, as well as in the morale of their people.

When we speak in terms of the money necessary for recovery and rehabilitation—and today in connection with this particular act we are speaking of $5,300,000,000; and Senators also refer to the possibility, in view of the present situation, of a further $17,000,000,000—would not it be a great deal better if we were to appropriate today the necessary funds to try to encourage the rebirth of the people of those 16 countries, in order that they might have the heart and courage to resist the constant threat of the encroachment upon them of the communistic philosophy or ideology of another nation? If we could thus resist, through the efforts of the peoples of those countries, the encroachment of the so-called communistic philosophy, it might be a great deal cheaper to do that rather than to fight all the countries of Europe completely under the domination of a communistic philosophy of government. In that event all the resources and energies of those peoples would be combined in the effort to build a military machine to resist, which the United States would have to spend billions upon billions of dollars, as they came at us with mechanically controlled missiles of destruction, such as we know there is a possibility of, in connection with the atomic bomb, to say nothing about the planes which today can travel faster than sound itself.

What would the Senator and I and our children and grandchildren be subjected to if we were to permit the countries of Europe and their peoples to be placed under that communistic philosophy?

So I cannot help but ask which would be better: Either to try to encourage the people of the 16 nations to preserve their freedom, or to let them become a part of the economy of Russia, and then find the United States compelled at a later time to fight Russia?

Mr. KEM. Mr. President, I am glad the Senator has asked that question. He and I have the same objective in regard to the United States of America. However, apparently he thinks the Marshall plan is the best way to proceed in an attempt to attain the objective. Apparently he is more concerned with economic conditions abroad than he is with economic conditions in the United States. However, I think our first consideration should be conditions here at home. As Washington and Lincoln have told us, I think that if we are strong at home, we shall not be attacked from abroad.

Mr. THYE. Mr. President, I wonder whether the Senator from Missouri will yield for a further brief comment.

Mr. KEM. Mr. President, I shall be glad to yield for a brief question. I prefer not to yield at this point in order to permit the Senator to present an extensive exposition of his views.

Mr. THYE. Mr. President, would the Senator care to yield in order to permit me to make a brief comment?

Mr. KEM. I prefer to yield for a question only, if the Senator does not mind.

Mr. THYE. My question will have to be framed in this manner: I have noticed that when in our own country we suffer devastation from floods, forest fires, or hail storms, the people of neighboring States and communities immediately take steps to assist in the recovery of the community which has thus been afflicted. We have found that to be highly profitable.

Mr. KEM. Mr. President, let me ask the Senator what his question is.

Mr. THYE. I am afraid I have had to broaden my question somewhat.

Mr. KEM. Mr. President, I prefer not to yield at this point.

Mr. THYE. Mr. President, will the Senator permit me to conclude stating my thought?

Mr. KEM. I am glad to yield for a question, if the Senator has a question.

Mr. THYE. Recovery in the European countries will eventually be to the Senator's benefit and my benefit and the benefit of our country; because we cannot help but do business with some other countries——

Mr. KEM. Mr. President, is the Senator asking me that, as a question?

Mr. THYE. I could ask the Senator to answer that question.

Mr. KEM. Is that the Senator's question?

Mr. THYE. I shall ask this question: What would the Senator do today with 500,000,000 bushels of surplus wheat if there was no European market for it?

Mr. KEM. Mr. President, I expect to deal with that question.

I consider the Marshall plan the most gigantic dumping scheme in all history. I think I have already said that if any American producer chooses to think we can in the end gain any economic advantage for the United States by giving away our goods all over the world, he is welcome to that view. I hold the view—and I have expounded it at considerable length—that that is unsound economics, unsound politics, unsound Americanism.

Mr. CAPEHART. Mr. President, will the Senator yield to me?

Mr. KEM. I yield to the Senator from Indiana.

Mr. CAPEHART. I should like to ask the able Senator a question. Perhaps he can enlighten me regarding it. I am not certain when communism became a threat to the present administration. The Russians were our allies during the war. When did General Marshall and President Truman and all our leadership decide that communism is a threat? I remember when, as a Senator on this floor, one was almost considered a traitor if he said anything against communism. I remember when Russia was a great nation, supposedly, in the view of the administration, and the Russians were a part and parcel of the United Nations, and they wanted to help establish the United Nations in a world of peace, and they were considered to be fine, upright, great people; and many Americans went to Russia, and later, upon their return to this country, wrote books praising the Russians.

When did they become the threat which the able Senator from Minnesota mentioned a moment ago, and which other Senators have mentioned from time to time on the floor of the Senate? Did any one thing happen to change the minds of those who are responsible for this so-called bipartisan policy? If so, when did it happen?

So far as I am concerned, they were always a threat.

Mr. KEM. Mr. President, that is a very difficult thing to determine. As I understand, Mr. Roosevelt was soliciting their cooperation at Yalta. Mr. Truman made some very remarkable concessions to them at Potsdam. It must have been sometime after those two points in history that the change occurred. Just when it occurred, I am unable to say.

Mr. CAPEHART. Mr. President, let me say that I have always been opposed to them; but much of our leadership and many of our people have been opposed to them only in the last few months. It would help my thinking on this whole subject if someone would tell me what happened, and when it happened, to

cause those who were supposedly sympathetic, not with communism, but with what Russia as a nation was trying to do, to change their minds.

Mr. KEM. Mr. President, that is a very interesting and very pertinent point. But my opportunities for observation in the councils of administration have not been sufficient to enable me to answer the question.

Mr. JENNER. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Missouri yield to the Senator from Indiana?

Mr. KEM. I yield.

Mr. JENNER. Pursuing that line of thought a little further, is it not a fact that the very man for whom ERP is named was sent to China to try to convince General Chiang Kai-shek to take Communists into his government, just before General Marshall came back and laid the egg that became the Marshall plan?

Mr. KEM. Perhaps so. I do not suppose that even the most ardent proponents of the Marshall plan would say that that celebrated mission to China was a great success.

Mr. JENNER. Mr. President, will the Senator yield for another question?

Mr. KEM. I am glad to yield.

Mr. JENNER. The Senator reads the history books. Do they not say that the man after whom ERP is named has been either Chief of Staff or Secretary of State through all the misadventures of our foreign policy, including the conferences at Tehran, Yalta, and Potsdam, and all the meetings of the foreign ministers since the meetings began?

Mr. KEM. Certainly he has been an active participant in the councils of the administration, insofar as there were any councils.

Mr. JENNER. That satisfies me.

2. SCHOOLS AND SCHOOL TEACHERS

Mr. KEM. Mr. President, I am not discussing any group of foreign citizens. The next subject to which I invite the attention of the Senate relates to the schools and the school teachers of America.

Another problem confronting this country today and which during the years ahead will become increasingly serious, is the critical condition of our public-school system. Our children's educations are in jeopardy as a result of shortages in teachers, classrooms, and equipment.

During recent years, 350,000 instructors left the public schools to take up positions in other more lucrative fields of employment. These were in addition to those teachers who ordinarily leave for various causes. In order to replace those leaving, schools often were forced to accept individuals with less than the standard training required and who held only emergency teacher's certificates. But still the shortage existed. It became necessary to eliminate 50,000 teaching positions, placing additional burdens of instruction on the available instructors, and to drastically curtail curricula.

Today, despite limited improvements in some areas, there are still 102,000 instructors in our public schools holding only emergency certificates. These individuals certainly should be replaced by teachers possessing at least minimum qualifications for such responsible positions.

The National Education Association has estimated that at least 50,000 American children are being deprived of schooling this year as a direct result of the teacher shortage, while at least 2,000,000 more are receiving substandard, inadequate instruction. Instructors today have a year's less training on the average than teachers in 1939. The situation is particularly acute on the rural elementary level, since intense competition for good teachers has left the schools in the poorer rural areas with the leftovers, and often with no instructors at all.

In coming years, this problem will loom even larger as the war babies reach school age. The last 7 years has seen the birth of 5,000,000 babies over and above the prewar rate. It is readily apparent that unless the capacity of our grade schools is increased soon, millions of our children will receive inadequate educations, if any at all. Already, kindergartens are turning away applicants by the thousands. Enrollments in the elementary schools alone have already increased by 500,000 since the 1946–47 school year. In all, we must prepare for some 33,000,000 kindergarten, elementary, and high-school students in 1950. The capacity of our present system is 28,000,000.

Benjamin Fine, of the New York Times, has estimated that 500,000 additional well-trained teachers will be needed within the next 5 years to insure adequate instruction for our children.

Knowledge of future requirements in the way of teachers is one thing. Finding capable individuals to fill the positions is another. The fact of the matter is we do not know just where well-trained instructors may be found to fill present and future requirements. Twenty-five years ago, 22 percent of all college students were in teachers' colleges or normal schools. Today about 7 percent are training to be teachers. Men enter the teaching profession today only as a last resort. At the present time, only 15 percent of the public-school teachers are men. Educational authorities assert that there should be practically an even balance between male and female instructors.

What are the reasons behind this mass desertion of the teachers' profession and the disinclination of our young people to prepare for teaching careers? One of the principal factors is the remuneration that an instructor can expect to receive. This year, the average salary of a public-school teacher in the United States was $2,550 or about $49 per week. This represents a substantial gain over the average salary of $1,924 or $37 per week of 2 years ago, but inflation has largely nullified the gains. What is left after income taxes of a teacher's average salary is worth only $1,438 in 1935–39 dollars, which is approximately the average salary of that time. Now it can hardly be expected that a career offering such financial prospects would appeal to our more capable students.

Mr. LUCAS. Mr. President, will the Senator yield at that point for a question?

The PRESIDING OFFICER (Mr. WATKINS in the chair). Does the Senator from Missouri yield to the Senator from Illinois?

Mr. KEM. I am glad to yield to the Senator from Illinois.

Mr. LUCAS. The able Senator from Missouri mentioned the income tax that teachers are required to pay. The Senator appeared before the Committee on Finance and made a very strong argument in favor of certain income-tax exemptions for teachers. However, in looking for the amendment, the committee found that none had been submitted by the Senator. I was wondering whether or not he forgot about it, or whether he intended to offer an amendment before the committee, or whether he expected to offer the amendment on the floor.

Mr. KEM. I may say to the Senator from Illinois that the amendment, together with the earned-income amendment which I presented to the Senator's committee at the same time, was requested by me from the legislative counsel. They were somewhat delayed in its preparation, but I received the amendments 2 or 3 days ago. They are now on my desk. They have been copied, and I have in mind filing copies with the committee and sending copies to each of the able members of the Senate Finance Committee. I appreciate very much the Senator's reference to the amendment and his interest in it.

Mr. LUCAS. I merely desired to obtain information on the subject, because the Committee on Finance recalled very well the statement that the Senator made before us. When we began to look for amendments to carry out the suggestions made by the Senator, we found nothing had been filed with the committee. That is the reason I made the inquiry.

Mr. KEM. The amendment has been prepared. If the Senator desires to have it this afternoon, if he will call my office it will be sent to his office.

Mr. LUCAS. No; I do not care to have it this afternoon, but I was interested in it. The Senator spent considerable time before our committee, explaining why he thought teachers should have certain income-tax exemptions. It was a very forceful argument. I was merely wondering whether or not he had forgotten it. Apparently he has not.

Mr. KEM. I appreciated the courteous consideration given me by the Finance Committee. I shall forward the amendment to them. I regret the delay.

As I was saying, in addition to the shortage of instructors, our school buildings and equipment are in dire need of repair, replacement, and expansion, and school buildings are overcrowded and inadequately equipped. There is a deplorable lack of textbooks.

It has been estimated that $5,000,000,000 needs to be spent immediately to put our educational plant in good condition.

In my home State of Missouri, of which I have more knowledge than of any other State, the estimated average salary of public-school instructors is $2,000 annually, or $38 per week. Of the 23,400 public-school instructors, 2,300 still hold emergency teachers' certificates. One thousand additional teachers are vitally needed. To provide adequate buildings and equipment would require an expenditure of $50,000,000.

If the Senate will pardon me for referring to conditions in my own State, I should like to invite attention to what has been written regarding the conditions in a particular district in a county not far from my home.

As a concrete example, in school district No. 71, Clay County, Mo., 212 pupils are attending school in a dilapidated frame building built 26 years ago to accommodate less than 100 pupils, and which has been condemned by the State board of health and the fire department. There are no recreational or athletic facilities available.

Residents of the district have written me a statement from which I should like to quote one sentence:

> It seems inconceivable that we should expend billions of dollars in attempting to better the conditions of the rest of the world while our own children are denied decent facilities for attaining an education.

What does all this mean to the ones affected most—the more than 25,000,000 children in our public schools? It means, first, that we are letting them down. They are not being given the decent educational experience commensurate with the demands of present-day society.

Further, it is recognized that our public schools form the base of our democratic way of life. The American voters of the future are growing up with inadequate knowledge of American political, social, and economic ideals and institutions. The public schools have been termed the "great leveling force in our democracy." Today many parents, aware of the poor quality of instruction offered in our public schools, are sending Junior and Mary to private institutions.

Finally great inequality in educational opportunity exists within our own country. Boys and girls in rural areas do not have the opportunity to learn what children in other sections do. This discrimination against many of our people is contrary to our professed democratic ideals.

This country has already contributed to foreign countries since the end of the war the sum of $24,781,043,144, which amounts to a sum of $27,300 for every classroom teacher, principal, and supervisor in our public, elementary, and secondary schools. It is proposed that we give an additional $19,258 per instructor under the Marshall plan. If we applied to the rehabilitation of our own public-school system the $17,000,000,000 called for under the Marshall plan, we could put our schools in decent condition and at the same time the average salary of our instructors could be increased from the present $2,550 annually to nearly $4,000 for the next 10 years.

3. CHILDREN

While we are speaking about schools I should like to say something regarding a group which has always been the first concern of Americans, namely, our children.

The American people have been exposed to barrages of propaganda concerning the ill-fed, poorly clothed, unhealthy children abroad. It seems pertinent to point out that many of our own children are in dire need of attention. All surveys point to the need for better food for the children of the United States. This condition has existed for no short period. General Hershey, wartime director of the Selective Service System, estimated that 40 percent to 60 percent of the 5,000,000 selective-service rejects were, in part, due to malnutrition.

The 21,000,000 babies born during the war period—5,000,000 more than were estimated for that period—have placed grossly increased demands upon our schools, housing facilities, playgrounds, and health, medical and welfare services. More children's food and clothing must be provided.

Children's bureaus tell us that 20,000,000 of our children have dental defects; 4,000,000 have physical defects; 1,000,000 have hearing trouble; and thousands have serious illnesses.

The health picture in rural areas is particularly discouraging. Dr. G. F. Moench, of Hillsdale, Mich., child health expert, in a recent address before the National Conference on Rural Health, described the rural health situation as sadly dismal. Pointing out that the future security of the Nation depended upon healthy, educated, trained, and emotionally stable children, Dr. Moench said there are "40,000,000 people in the United States, mostly rural, who do not even have a local health department; and many communities do not have physicians, nurses, hospitals, or laboratories or X-ray services."

Furthermore, it must be kept in mind that many of our war babies were forced to spend the first few years of their lives around Army camps. Their fathers went overseas and not a few failed to return. Their mothers ofttimes had to work. All of these factors led to early emotional upsets which will in many cases require special treatment to cure. Thus, if a future generation is not to be stunted physically and mentally, action needs to be taken, and now, before we give away additional large sums of our wealth to foreign countries, with doubtful results.

Before we give away additional large sums of our wealth to foreign countries as a calculated risk, would it not be better first to study the home front and see what must be done to insure that our Nation, as individuals, shall be strong and healthy and equipped to meet whatever the future may hold for them?

4. AGED AND NEEDY PERSONS

Mr. President, the next group of persons in this country to which I wish to invite attention is the group of aged and needy persons.

Today there are more than 2,195,806 recipients of old-age assistance in this country. While the United States has sent abroad, since the end of the war, more than $24,000,000,000 in gifts to alleviate suffering there, little attention has been given to the sad plight of our aged here at home. We should not forget that these people of advanced years are those same individuals who made heavy investments in raising children.

It is shameful, but true, that our old people are being neglected today. Many live in abject poverty. In a period of inflated living costs, many of these old citizens must huddle in shambles of houses and eke out an existence on such starchy foods as rice and macaroni, because they cannot afford anything else. Oscar R. Ewing, Administrator of the Federal Security Agency, recently stated:

> Due to the decline in purchasing power, people on welfare in many States are suffering from slow starvation.

Thousands of our aged who are unable to provide for themselves are crowded into mental institutions where they are not fit or necessary patients, since they are merely childish and incapable of their own direction. Costly mental hospitalization is thus wasted. The conditions in many of our almshouses are a disgrace to a nation, which some say, must give away its surplus wealth to foreign countries to retain prosperity. It has been facetiously suggested that our old people move to foreign countries to share in old-age securities and disability benefits made available there by funds from the United States Treasury.

This situation may be expected to become more acute as the years go by. Each year those over 65 years old form a larger part of our population. Modern medical science has extended the life expectancies of our people. In 1945 there were 9,920,000 people over 65 years of age. By 1970 it is estimated the number will be 16,000,000. These neglected members of our society are often forced to turn in desperation to political demagogs for solace. But while some of them would welcome such a plan as was advanced by Dr. Townsend, calling for $200 a month for all over 60, and some lured away by promise of ham and eggs once a week, most of them would be content with $75 a month.

Let us examine the extent of the assistance given to these people at present: At the end of 1946, old-age assistance payments for the United States—an over-all average—was $32.15 a month per recipient. This figure includes both Federal and State aid, but it should be remembered this is an average figure. Many get around $10 to $15 a month in some States, and are expected to live on such amounts.

The United States Federal Government in 1946 paid to each of its 3,140,819 old-age pensioners, dependent children, and the blind, an average of $12.75 a month. The British Government, by comparison, spends nearly $33 a month per needy person on relief. I repeat those figures. The United States Government's payment to needy persons is $12.55 a

month. The British Government payments to needy persons is $33 a month. Our gifts to Great Britain in recent years have been approximately $1,500,000,000 per annum. Approximately one-third of the money of the American taxpayers to go out under the Marshall plan will go to England. For how long will the people of the United States be willing to give billions of hard-earned American dollars, earned under our system of free enterprise, to the British Socialist Government so that it can pay larger benefits to the old people there than we are paying to our old people?

5. PUBLIC WORKS

I now wish to say something about public works in our own country. The Marshal plan is a scheme for aiding 16 governments in western Europe. Let us look at the plans for public improvements in our own country.

It was recently estimated that State and local units of government alone have a backlog of $75,000,000,000 needed public works demanding attention within the next few years. That does not include Federal public works. It refers to State and local units. For instance, it is estimated that $43,000,000,000 needs to be spent on highways alone. It has been revealed by official surveys that approximately one-half of the highways of this country will have to be rebuilt within the next 10 years. During the war highway construction and repair work was held to a minimum in deference to the all-out war effort. Since the end of the war, road-improvement programs in many cases have not been undertaken because of shortages and high cost of materials. There has been considerable deterioration in the condition of our highway system while at the same time traffic has been increasing. The President in a recent message to Congress pointed out that there are over three million more vehicles on the road now in the United States than before the war. The existing highway system is rapidly becoming inadequate to handle this ever-increasing traffic load. One of the results of this crowded condition of our antiquated highways has been a sharp rise in the number of deaths and injuries from automobile accidents. It must also be kept in mind that a modern highway system constitutes a vital part of our national defense. Particularly, is this true in these days of modern warfare with the possibility of an air-borne invasion at virtually any point in the country.

It is somewhat of a coincidence that the $43,000,000,000 needed to bring our highway system to date is equal to the $24,000,000,000, which has gone down the drain since the end of the war, plus the $19,000,000,000 requested by the 16 Marshall plan countries.

Other public-work projects calling for the attention of our States and cities include a $10,000,000,000 program for schools to accommodate the war- and postwar-baby crop; $7,000,000,000 for waterworks and sewerage systems; $6,000,000,000 for hospitals, which are desperately needed in many areas; and $1,500,000,000 for public-service plants and recreation programs.

Let me say so that I will not be misunderstood, that I am not advocating for a moment that all these things be done by the Federal Government. I think most of them should be undertaken on a local level. But, of course, when the people at home spend their money in the payment of taxes to be sent to 16 countries in western Europe, they have not the money for improvements at home.

6. PUBLIC EMPLOYEES

The last group to whom I wish to refer is the deserving group of public employees. In the present period of rapidly rising costs of living the individuals who suffer the greatest hardships are those with fixed incomes. Particularly is this the case with our Federal employees, who must depend for pay increases on legislative action by Congress.

At the present time many of our 1,992,000 Federal employees are finding themselves in serious financial difficulties as a result of the squeeze of high prices. I have received hundreds of letters from Government workers during the past few weeks—and I dare say every other Senator has received many such communications—informing me that they cannot meet their bills as a result of the decrease in the purchasing power of their pay checks.

According to figures compiled by the Bureau of Labor Statistics, the consumer price index was 69 percent higher at the end of 1947 than in 1939, while the average annual salary of Federal employees had increased by only 33.5 percent. In private industry, however, the wage earnings rose to a peak as high as 112 percent above the August 1939 level.

Perhaps of all the Federal employees the 463,582 postal workers, with an average annual gross income of $2,708, have been hit the hardest by inflation. It has been stated, and rightly so, I believe, that the postal group, by and large, is one of the most loyal and conscientious groups of men and women in the world. Certainly they are entitled to a decent standard of living in return for the fine, efficient job they are doing. The wages of this group have lagged somewhat behind those of the other Federal workers and far behind those in private industry. As an example of the hardships wrought by these conditions, many of our letter carriers, who often walk as many as 16 miles a day on their routes, have had to seek additional part-time employment at night in order to balance their family budgets.

There is no disagreement that this problem must be solved if the efficiency and morale of the Federal civil service is not to be destroyed. This Nation has learned by experience, however, that wage increases only add fuel to the fires of inflation, with no lasting benefits to the recipients. A more satisfactory solution would be to eliminate the factors responsible for the inflated condition of our economy, chief among which is the tremendous surplus of exports over imports attributable to our give-away foreign policy.

There is one more group, Mr. President, in our own United States to whose situation I want briefly to refer; that is the holders of the public debt.

7. HOLDERS OF THE PUBLIC DEBT

At the present time the Federal Government has a national debt of over $250,000,000,000, or two hundred and fifty thousand million dollars. The interest payment alone amounts to $5,000,000,000 annually, which is in itself a tidy sum and a highly inflationary factor in our economy.

The United States Government has a most solemn obligation to protect this huge debt held by the citizens and financial institutions of our country. As a consequence, we should make every effort to reduce this threat to our economic stability at the earliest possible moment. It is only common sense to say that, now, in an inflationary period, while income taxes are high, is the time to tackle this Goliath. Further extravagant expenditures for foreign relief at this time would only serve further to weaken our financial structure by rendering a substantial reduction impossible.

The last general election at which Members of this body were chosen occurred in the year 1946. The party which was then in the minority and is now in the majority in this body presented itself to the electorate as standing upon a platform of strict economy in all governmental affairs. People of the country went to the polls and indicated in no uncertain terms their approval of this policy. And now we have the Truman-Marshall plan.

Already people are heard to say, "If you can authorize so much money to be spent in foreign countries, why can we not have this proposal in which I myself am so much interested right here at home?" We cannot have at one and the same time economy and frugality at home and profligacy and extravagance abroad. If we open the sluice gates of public spending abroad, who among us will undertake to keep them closed at home?

II. THE TRUMAN-MARSHALL PLAN WILL BE NO MORE SUCCESSFUL THAN OUR PREVIOUS ADVENTURES IN FOREIGN RELIEF

I have been discussing the effect of the bill on America. I now turn to the effect of the bill on 16 countries of western Europe. My second proposition is: The Truman-Marshall plan will be no more successful than our previous adventures in foreign relief.

A. FOREIGN AID SINCE THE WAR HAS BEEN INEFFECTIVE

I think we all can agree upon that point.

The most recent figures available, compiled by the legislative reference service of the Library of Congress at my request, show that the loans, property credits, advances, relief and rehabilitation grants, and other authorizations to foreign countries since July 1, 1945, now amount to $24,781,043,144. This is the generous contribution of the American people to effectuate world recovery. Its giving has placed a tremendous strain on our own economy. It has weakened us to an extent yet unknown as a result of the draining away of our products and resources without the compensating returns of normal foreign trade. Abroad, the sad truth is that despite this vast expenditure of America's food, raw ma-

terials, and capital goods, the countries we have been seeking to aid are as badly off as they were 2½ years ago.

Even before the end of World War II the first of a number of calculated plans to solve the economic problems of Europe made its appearance. This was in 1945, when the Bretton Woods plan was sold to Congress and the American people by propaganda strikingly similar to that now being employed by the proponents of the Truman-Marshall plan. We were told that if the program setting up the International Bank and the International Monetary Fund for Reconstruction and Development were adopted, the economic ills of Europe would be cured and loans to other countries, particularly Great Britain, would be unnecessary. This program, which has cost us $6,000,000,000, of course, has succeeded in doing no such thing.

Congress had scarcely approved the Bretton Woods proposal when the second plan for foreign aid was advanced by the State Department—the ill-fated British loan. This proposal, too, was accompanied by a widespread publicity campaign—the technical term is, I believe, "propaganda"—stressing the argument that the revival of Britain would help all of the countries of the world, including the United States, and that it was to our own best interests to grant the loan. When questions were raised concerning the high cost of the venture, the familiar answer—and it has become more familiar day by day—was given by the then Secretary of the Treasury that the British loan, after all, was equal only to what we spent in 15 days on the war effort. The Secretary also said:

> This credit is an investment, not an expenditure. In view of what is at stake, a healthy Britain and a healthy world trade, I do not believe we can afford not to make the loan.

However, as we all know, matters did not turn out that way. Despite the fact that the $3,750,000,000 credit was supposed to last the British until 1950, in a little more than 1 year practically all of the loan had been exhausted, with England still far from economic self-sufficiency. In fact, she claims she is on the verge of economic collapse if she does not receive additional help immediately.

Mr. President, I wish time permitted a discussion of what economic collapse is, and when it occurs.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield.

Mr. MALONE. I suppose the Senator from Missouri is familiar with the record that England now is 115 percent recovered industrially as compared with the 1937 industrial index?

Mr. KEM. And yet I would say to my distinguished friend from Nevada I understand from some quarters that she is threatened with economic collapse.

Mr. MALONE. If the Senator will yield further, I wish to say that in my discussion with Sir Stafford Cripps he was very careful to tell me that the money was not needed so badly for England alone, but it was needed to build up the colonies, particularly in Africa, where transportation systems and new industries should be built up and established. I suggested that if private investments could be safeguarded, perhaps our own private investors in this country and from other countries would do the job, but he violently objected to that. What is my colleague's suggestion in that regard?

Mr. KEM. I am curious to know whether Sir Stafford Cripps mentioned in his conversation with the Senator from Nevada the impending economic collapse.

Mr. MALONE. On the contrary, he said that they did not need the money badly in England itself, but that it was needed to build up the colonies, so that there would be more income. He also stated that they would own the industries, using the money which our Government was expected to furnish their Government, shutting out private investors completely.

I invite my distinguished colleague's attention to the further fact that Lord Beaverbrook's paper, which I placed in the RECORD on Friday, March 5, states that the British should not accept further loans and should not have accepted the one they did get in 1946 of $3,750,000,000.

Mr. KEM. As I understand, roughly a third of the proposed allocation under the Marshall plan is to go to Great Britain. I wonder if my friend from Nevada came back from his trip to England with the idea that, in view of our present problems at home, we might safely forego the allocation of a third of this gigantic sum to our British friends at this time.

Mr. MALONE. I will say to my distinguished colleague from Missouri that it is my very definite opinion that any appropriation we make of a substantial nature beyond the expense of operating the Government each year, without increasing our production, will almost immediately be reflected in inflation, so that the prices of our goods will go up almost immediately unless we put our finger on the snout of the teakettle as the President suggested, and hold the steam in for a while through controls; but, of course, it will be building up pressure just the same and very likely result in a dangerous explosion later.

The Senator from Missouri refers to this plan as the Marshall-Truman plan or the Truman-Marshall plan. I think there is one other name that ought to be mentioned. It should be called the Bevin-Marshall-Truman plan. It came from Mr. Bevin initially. He asked us for an additional loan a year ago, an additional $5,000,000,000 I am informed, but it was not judged that this body would go for it because of the $3,750,000,000 which had just been appropriated for England and, from the standpoint of their statement of needs at the time, largely dissipated, in that they did not do many of the things they said they would do. So the rest of Europe had to be added to make the plan sound logical and to build up the usual emergency complex.

Mr. KEM. I seem to recall that nine cities claimed to be the birthplace of Homer. I am not a prophet or the son of a prophet, but I venture the suggestion that before many years have gone by there will not be many who will claim the authorship of the Truman-Marshall plan.

Mr. President, I was discussing a rather unpleasant aspect of this problem, namely, our experience with foreign aid to date. There are other channels through which we have been pouring the dollars of the American taxpayer abroad.

Let us look for a moment at the ill-fated United Nations Relief and Rehabilitation Administration which served as another pipe line through which this country poured abroad large amounts of its wealth and resources from November 9, 1943, until termination of the program at the end of 1946. This plan began as a vast cooperative program whereby 44 nations agreed to work together and share in the cost of feeding and rehabilitating the world. At its inception the plan was hailed as the key to the readiness of the world for balanced and peaceful living. The London Times described its aim as nothing less than the full restoration of a healthy economic life in the liberated countries of the world.

However, within a period of two short years, UNRRA was a thing rejected, scorned, and unsung. This country had contributed $2,700,000,000, or nearly 75 percent of the total cost of the program, with at least half of our aid going to countries now behind the Russian iron curtain. Corrupt officials of governments receiving our aid made the most of their opportunity to profiteer, and large quantities of foodstuffs made their way into the black market.

The situation in Yugoslavia was perhaps the most notorious. Marshal Tito used the $400,000,000 worth of UNRRA aid to Yugoslavia primarily for the purpose of building up an army of 600,000 soldiers, plus a large and efficient secret police, with the purpose of maintaining a government closely patterned after that of Soviet Russia. The UNRRA director of publicity in Yugoslavia declared at one time that the UNRRA had been used as an instrument of ill-will against the United States. I seem to recall that at the time it was being presented to the Congress it was described as a great instrument of good will. At one time the state of affairs reached such a ridiculous point that at the same moment ships were loading in New York harbor with supplies for Yugoslavia, Tito was shooting down American airplanes.

Time does not permit an elaboration of this wasteful, misdirected plan, but suffice it to say that it constituted a precedent of failure for even more expensive plans to follow.

Nor is this all. Other projects involving vast sums of money have been pushed through Congress under high pressure since VJ-day as part of the spending philosophy which seems to have caught the imagination of many of our people. The idea seems to be that no

matter what the problem, it can be solved if only enough of the American taxpayer's money is appropriated, with or without consideration, limitation, or proper administration.

The Export-Import Bank has disposed of $2,588,807,679 since the end of the war. Postwar lend-lease has cost us $1,220,000,000; Treasury Department loans, $3,750,000,000; lend-lease fiscal operation, $1,468,771,191; Army and Navy relief, $2,200,000,000; lend-lease grants, $1,220,000,000—all since VE-day.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. HAWKES. I have just entered the Chamber. I was wondering if the Senator had totaled these various items.

Mr. KEM. Yes. According to figures prepared at my request by the Legislative Reference Service of the Library of Congress, our total grants to foreign countries since VE-day amount to $24,700,000,000.

Mr. HAWKES. Can the Senator tell us what we got for that sum?

Mr. KEM. That would involve a trip into a fairyland of speculation which I hardly feel equal to undertaking.

Mr. HAWKES. Does the Senator feel that there is any chance of getting back any substantial amount of that vast sum? I ask that question because the American people are uninformed on this subject as most of us are. When we say that a thing costs so much, the American people often think that we are going to get it back, or that we are going to get something for it.

The point I am trying to make is this: Are we going to get anything for it, or is there any chance that any substantial part of it will come back into the Treasury of the United States?

Mr. KEM. Mr. President, as was Patrick Henry, I can only be guided by the lamp of experience. So far as our experience goes, no country in the world, except Finland, has shown any interest at all in paying back any part of the loans we have made to them.

I cannot help but recall the Balfour mission to Washington, when the settlement was made of the First World War debt to the United States, and documents were drawn, with every formality known to the Anglo-American system of law, indicating a promise to pay on the part of the British Government to the United States Government. But we do not hear anything about that these days. I suppose it has been barred by the statute of limitations.

Mr. HAWKES. The Senator from Missouri knows that after one has an affliction long enough he is likely to become used to it. So, in this case, one is likely to forget that there is any sane relationship between lending and paying back.

Mr. KEM. I can only say to the Senator that recent polls taken in my State indicate that the people of Missouri, at any rate, are becoming extremely allergic to the operation.

Mr. HAWKES. I may say to the Senator from Missouri that my experience in the last 2 weeks with all the people to whom I have talked in New Jersey—and I am not referring to rich people who pay the taxes, but I am referring to the taxicab drivers and the elevator operators and what Lincoln called the common man—is that they are thoroughly disgusted with the whole program, when they know anything about it, or when it is explained to them, and when they understand that it may lead to the destruction of the United States.

Mr. KEM. I thank the Senator for his observation, so aptly put.

Mr. President, I think the American people are realizing that the Truman-Marshall plan must be paid for by the head of every American family and by every American housewife in her own pantry.

Mr. HAWKES. Mr. President, will the Senator yield further for a moment?

Mr. KEM. I am glad to yield.

Mr. HAWKES. I can say to the Senator that I feel we owe a duty to the people of the United States to have them properly informed before we, as their board of directors, vote their money away. I wish to say to the Senator from Missouri that, in my opinion, if we had 4 months more—and that is no time at all in dealing with a subject of this magnitude, which runs into billions of dollars and involves the whole safety and future of the United States—if we had 4 months more, and if we would go forth and talk with the taxpayers and the everyday common citizen, we would find that from 75 percent to 80 percent of the people of the United States are opposed to this plan. Yet it is going to pass. Why? Because of an organized propaganda the like of which I have never seen before. Propaganda is said to be the greatest enemy to freemen on earth.

Mr. KEM. Mr. President, was the Senator from New Jersey in the Chamber when I likened it to the various emotional manias that have swept over the earth from time to time, such as the crusades, the Mississippi bubble, in France, or the South Sea bubble, the tulip craze, the Florida boom, and the stock-market crash of 1929?

Mr. HAWKES. No. But I should like to say to the Senator from Missouri, who I know follows through thoroughly in whatever he does, that I am sure he has covered the point very well.

Mr. MALONE. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr. MALONE. I wonder whether the Senator is familiar with the fact that not only, as the Senator from New Jersey has outlined, is the greatest propaganda machine in the world at work on this scheme, with tons of propaganda going out every day, but many prominent persons in the United States identified closely with the State Department and other bureaus—I had a list but have misplaced it—have been during the last 15 years, or are now, on the pay roll of these foreign countries, at large salaries, ranging from $10,000 to $20,000 a year and more, for the purpose of assisting in this grandiose scheme to propagandize this country and the Congress of the United States for the passage of this act, in the interests of the Marshall-plan countries by whom they are employed.

Mr. KEM. I say to the Senator from Nevada that I received a very interesting letter from a most intelligent and responsible citizen of my own State, the other day. He made a rather surprising statement. He said that in his own experience he had not encountered anyone who understood the Marshall plan, who was not against it. I mention that for whatever it may be worth.

Mr. HAWKES. Mr. President, will the Senator yield further for a moment?

Mr. KEM. I am glad to yield.

Mr. HAWKES. Was the Senator from Missouri in the Chamber the other day when I called attention to the fact that a poll of 6,000 farmers, extending over 17 States of the United States, showed that 52 percent of them had never heard about the European recovery plan and did not know anything about it; and 48 percent of them, who had heard of it, did not understand it well enough to express an opinion regarding it?

Mr. KEM. Mr. President, I see in the Chamber at the present time the Honorable MAX SCHWABE, a Representative in Congress from my own State of Missouri. Representative SCHWABE recently sent to his constituents in the Second Congressional District of Missouri a questionnaire, which was distributed very widely. He asked them, first, whether they favored the Marshall plan. My understanding is that they indicated, by about 3 to 1, that they did not.

He then asked them, If the Marshall plan is accompanied by price ceilings here at home, do you favor it? They indicated "No" by about 6 to 1.

Those figures are approximate, but I think they are reasonably correct.

Mr. President, in discussing the adventures we have had in pouring out our money abroad, I have mentioned only a few of the larger items. Two conclusions are inescapable; first, no one can fairly say we have been niggardly or parsimonious in attempting to meet the perils and to solve the problems confronting us after the war; second, notwithstanding our generous gifts, we have not succeeded in reaching our objectives. Further reckless distribution of our dollars around the world will be no more successful in regenerating the waning ambitions, and reviving the worn-out institutions of the Old World—or of China or of other far reaches of the earth.

Our efforts thus far to rehabilitate western Europe have failed. Despite the magnitude of our aid, many of these countries are still in a state of economic collapse. Europe is disorganized and abject. The situation became so desperate for France, Italy, and Austria last winter that the President deemed a special session of Congress necessary to vote so-called stopgap aid of $540,000,000 to tide these countries over the winter. Even now we are confronted with cries of "hurry, hurry" on the Truman-Marshall plan. Only this very morning we read in the newspapers that the President has sent to Speaker MARTIN a letter in which request is made for another grant of emergency aid to France, Italy, and Austria, in the sum of $55,000,000. Apparently the present occupant of the White House is a student—though not a very apt one—of the crisis technique of his predecessor.

Mr. MALONE. Mr. President, will the Senator yield to me at this point?

Mr. KEM. I yield.

Mr. MALONE. I understood the Senator to say that this new appropriation would be for further assistance to Italy. If that is a fact, I should like to say that when the Italian treaty was before the Senate, in the remarks which I made at that time I included a break-down showing how many Italians would have to labor for 7 years without compensation to manufacture and process the raw materials coming from Russia and the satellite countries, and then return them to Russia and such satellite countries, in order to increase the value of those raw materials in the amount of the reparations in money which they, the Russians, are entitled to receive under that treaty. I called it the "slave labor" treaty. Everybody is calling it that now. The fact of the matter is that almost 200,000 Italians must work 7 years without pay in order to perform the work. I called attention to the fact that there is only one nation in the world able to feed them, and that is the United States. We can and are feeding them. Is that about what the Senator meant?

Mr. KEM. Yes; that is exactly what I said, and one cannot but wonder, Mr. President, whether we are fattening another calf for the Russian bear to take over. We are wondering if the expediency of economic assistance is going to be any more successful in Italy than it was in Czechoslovakia.

Mr. President, the lesson of our experience certainly is that all the dollars in the world cannot of themselves cure the economic ills of the 16 Marshall-plan countries. Whether they solve their basic economic problems depends not on the amount of our aid but upon the actions of their own governments. These nations at the present time are carrying out vast socialistic experiments which have been unsuccessful every time and everywhere they have been tried. They show no indications of working now in Europe. Trade restrictions, unbalanced budgets, rationing, priorities, allocation of materials, and overvaluation of currencies, all are hindering recovery. These socialistic devices interfere with the natural course of production and commerce, rendering futile any help on our part. Any further aid we send will also go down the drain unless these countries discard their nationalization schemes.

Until European countries permit their currencies to seek their true value as expressed in terms of goods and services, hoarding and black markets will continue to thrive, the demand for our sound dollars will remain unabated, and production and trade will remain stifled. France, who recently took steps to correct the distortion in the relationship between the franc and our dollar, did so against the most strenuous opposition of the ruling authorities in Great Britain, who has consistently refused to allow the pound sterling to seek its true level in world currency interrelationships.

The Economist, an outstanding British magazine, recently had this to say concerning the situation in Britain:

> Continual borrowing can have the same effect as continual drinking. The borrower's sense of reality, like the drunkard's, tends to fade. Britain has already had the American loan and the Canadian loan and will get the South African loan.

They referred to them as loans.

> All have been necessary but all have helped to mask from government and people alike the country's true economic straits. A standard of living has been maintained; reserves have been eaten up, expenditures undertaken on a scale which is quite out of accord with Britain's true economic position. And what guaranty is there that the Marshall plan may not be used in the same way? The only proper, the only long-sighted, the only courageous course would be for Britain to pursue now the policy it would pursue if the Marshall plan were reduced to a third and to use the surplus thus created to build up reserves, modernize industry, develop economic integration in western Europe, and undertake now the program of hard living and hard working in which, in the long run, salvation alone will lie.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. I may say to my distinguished colleague that I recently returned from Canada, having spent 1 day in Toronto. I addressed a meeting of the National Mining and Prospectors Association. There were about 1,000 people present. They were very frank as a nation. As a matter of fact, editorials are now appearing in the papers regarding the policy of Canada over the last 2 or 3 years since the end of World War II that of loaning money to European and other nations, to enable them to buy Canadian products. It is very frankly admitted by leaders in Canada now that that is why the loans were made. Some of the editorials go so far as to say that even if the money were not collected, it would not cost the farmers too much, that the loss would be spread over the entire taxpaying population. The Canadians now question seriously how long they can pursue that program. They confess they are about at the end of the rope, and that they must soon cease to loan money to finance purchases of their own products, even though the money were to come back to Canada immediately for that purpose. The policy is now being seriously questioned on a basis of the real danger to their economic system. I submit that we are fast reaching the same position.

Mr. KEM. I am glad to have that contribution by the Senator from Nevada. It reminds one that the chairman of the Finance Committee, the Senator from Colorado [Mr. MILLIKIN] told the Senate a few months ago that our Canadian friends had had, I think, two reductions in income taxes since our present rates were established.

Mr. MALONE. If the Senator would yield further——

Mr. KEM. I yield.

Mr. MALONE. I should like to call the attention of my distinguished colleague to the fact that Canada had also recently borrowed $300,000,000 from the Export-Import Bank of Washington.

Mr. KEM. We seem to be the source from which all blessings come.

The people of this country are becoming quite impatient at the report that they are asked to send free of charge coal produced under our free enterprise system and 5- or 6-day workweek to countries, where under a socialist government, the miners are working as little as 3 days a week. England's socialist government has been able to survive only because the American taxpayer has given his hard-earned money to pay current operating expenses. It is irony, indeed, that the American taxpayer is called upon to finance a foreign government opposed to the traditional American system of free enterprise and private initiative.

Most economic experts regard Germany as the No. 1 problem to be dealt with in the rehabilitation of Europe, and that a self-supporting Germany is the key to European recovery. The dismemberment of this country into Russian and Allied zones and the policies pursued by the Allied occupation forces have cause economic paralysis in that country, whose economy is closely tied in with the economies of all other European nations.

In the Allied zones, the occupation authorities have reduced and demoralized production by the adherence to the socialistic level-of-industry plan, quite similar to the notorious Morgenthau plan, which was intended to reduce the German people to a bare subsistence level, largely on an agricultural basis. As is the case with all such economic plans—controls, allocations, rationing, and bureaucratic red tape have produced negative results and production is pitifully low.

Furthermore, we continue to worsen the situation by dismantling industrial plants in western Germany for distribution to our allies as reparations. I am not speaking of war plants. I mean those plants which could be turning out the goods which instead the American taxpayer is being asked to furnish. It is proposed under the Truman-Marshall plan that we contribute $1,005,000,000 in additional subsidies during the first 15 months to western Germany. This does not include $800,000,000 requested for purposes of feeding the German civilian population. The United States is being called upon to furnish what has been termed reverse-reparations, or products which would ordinarily be produced by the plants now being dismantled.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. Mr. President, I assume that my distinguished colleague is familiar with the situation in Germany. I was in the Ruhr district last fall, as well as in Berlin and the Frankfurt area. The coal and steel normally produced in Germany before the war contributed largely to the industrial production in the surrounding area and nations. They were producing barely sufficient coal for their own use in their restricted industries. They were held below 4,000,000 tons of steel annually when their pre-World War II production was approximately 24,000,000 tons. This Nation is now sending between 6,000,000 and 8,000,000 tons of steel to Europe annually. As a matter of fact, the steel plants which I saw there and from the technical report verifying my own observation, many

of the plants were not destroyed or seriously impaired during the war. Some of them could be put into production by merely sweeping out and production can be raised to 11,000,000 tons annual production within 7 or 8 months. If they could produce 7,000,000 tons annually, then we could keep our own steel at home, and the Germans could pay a good part of their board bill of $1,000,000,000 annually.

This administration is now crowding our own steel people to increase their production, which requires 2 to 4 years and requires much of the needed steel for such construction, and then when we level off and production catches up with current requirements we may be seriously overbuilt, unless we are in world war III.

Mr. KEM. That is what I understand the situation to be. I should like to ask the Senator from Nevada if he observed on his trip through Germany that plants were being torn down and shipped to Russia. We are now being asked to replace and rehabilitate the German industrial machine with money of the American taxpayers. Is that correct?

Mr. MALONE. That is exactly correct. As a specific instance, there were an additional 700 plants on the reparations list, placed there just before I arrived in Germany, late in October of last year. It was represented in this country that their production was not necessary at once for German recovery and that before it would be necessary they could produce sufficient steel and other products to replace the plants. But what we failed to note was that the materials for the repairs and replacements of the existing plants were largely manufactured by plants on the reparations list, German plants. And that American-produced repairs and replacements cannot be used in the German plants. As an example, I went into one mine and examined the cutting, conveying, and transportation machinery. The steel shaker conveyors running on the dip of the 3-foot vein conveyed the coal to the web conveyors, which in turn brought it to the automatic loaders, where the thirty-five 3½-ton steel cars automatically moved up, then the train moved to the shaft, and thence to the surface. It was a wet mine—lying there at the face in water. I said, "The set-up seems efficient to me, why do you not install more coal cutters?" They said, "We would like to do that but the only factory in Germany making the cutters is on the reparations list."

We are talking about rehabilitating Germany and are doing nothing about it. As a matter of fact, it is well known in Europe and in this country that many years ago a very prominent Englishman said facetiously—but it was not facetious when analyzed—that if German consumption could be kept up to par without any production Europe would be perfect. As a matter of fact, we are getting only lip service from France and England in the recovery of Germany.

Mr. KEM. I thank the Senator for his contribution.

One of the avowed objectives of the Truman-Marshall plan is to stop the advance of communism and halt the further encroachment of Russia upon her western European neighbors. If that is not a fair statement of the objectives of the Truman-Marshall plan presented by the senior Senator from Michigan, I should like to have him correct me. I invite the attention of the senior Senator from Michigan, Mr. President.

Mr. VANDENBERG. The Senator has my attention.

Mr. KEM. Was my statement a fair statement of the objectives of the Truman-Marshall plan?

Mr. VANDENBERG. I am sorry, but I did not hear the Senator's statement.

Mr. KEM. The statement was that one of the avowed objectives of the Truman-Marshall plan is to stop the advance of communism and halt the further encroachment of Russia upon her western European neighbors.

Mr. VANDENBERG. I would say that might be the end result of the objective, which is to create self-help and the self-sufficient capacity of independent peoples to remain independent.

Mr. KEM. I thank the Senator.

One of the ultimate effects of this program would be, instead, to rehabilitate the Soviet Union and her satellites and enable her to increase her already huge war potential.

The Paris Conference report admits that a substantial and steady resumption of eastern Europe trade is assumed—that is, a flow of manufactured goods such as tools, tractors, industrial machines, and the like, from the industrial sections of western Europe to eastern Europe, now behind the iron curtain. The report assumes that such an interchange of commodities will be established. It is to be recalled that Great Britain recently signed a trade agreement with the Soviet Union, a part of which contemplates the shipping to Russia of steel products ranging from forks and spoons to locomotives.

Under the Truman-Marshall plan, Britain would receive from the United States vast amounts of raw steel which she intends to fabricate into finished products for export.

This country would therefore be funneling vital steel and iron products through Great Britain directly into the paws of the Russian bear. The Marshall plan countries would constitute, as the Senator from Nevada pointed out, merely a stop in transit.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. I should like to call the Senate's attention to a list of materials contained in what purports to be a treaty between the Netherlands and Bulgaria, the latter being one of the satellite nations. In that list, which I shall not read, there is included a large amount of rubber which comes from the East Indies. We are at this moment furnishing money to bring back the Indonesians under the control of the Netherlands so that they may be held at $2.50 to $5 a month wages, and to sell the rubber and strategic materials and minerals to Russia and the satellite nations which we are helping them to again control. There are other products on the list, including chemicals and products which are very difficult to buy in this country.

Mr. KEM. I thank the Senator.

It is no answer to say that English-manufactured forks and spoons made from American steel do not constitute implements of war. I think that was suggested recently by the Senator from Massachusetts. For every item made of iron and steel that finds it way into the Soviet Union releases just that much Russian-produced raw steel which would have been used to manufacture that item, and their raw steel is thereby made available for the tanks, planes, and guns which Russia, from all reports, is so feverishly accumulating.

B. THE TRUMAN-MARSHALL PLAN WILL NOT STOP COMMUNISM

The administration has placed a great deal of emphasis on its argument that adoption of the Truman-Marshall plan is necessary to halt the spread of communism in Europe and to prevent, as the Senator from Minnesota [Mr. BALL] argued awhile ago, the occurrence of world war III. Either adopt this program, we are told, or arm to the teeth. Secretary of Defense James V. Forrestal in his testimony before the Senate Foreign Relations Committee said: "Our own objective in the present recovery program for Europe is the prevention of war." Secretary of the Army Royall declared: "Without such effort the Army budget and the Army itself should be increased."

But this argument can only serve to lull the American people into a false sense of security if this program be adopted. We cannot hope to stop the westward march of communism, either by infiltration or by force of arms, by our wall of dollars. Not one of the eastern European nations now existing as Russian satellites was enveloped in the Soviet orbit because of hunger, unemployment, or inflation. They were taken over by the Russian tactics of political infiltration which eventually result in control of the police, neutralization of the army, and seizure of key posts within the government. These methods are particularly effective because of the nearby pressure of the Red army.

Poor little Czechoslovakia, the latest to be enveloped by the iron curtain, was not suffering from economic instability or other unstable economic conditions. She had received approximately $300,000,000 in aid since the war's end, $300,000,000 of the American taxpayers' money, and at the time of the catastrophe had balances in our cotton fund and in other funds which she had not found it necessary or advisable to draw down.

It is naively assumed that additional loan-gifts would stop communism in countries where there is a powerful Communist Party, as in France particularly, even though the present Government may be friendly toward us. However much we intend that our aid will be used to stop communism, that will not do the job. While we may be temporarily successful in bolstering up the present governments in power—some of them socialistic—whether or not France or Italy or any other country goes communistic has been, and will continue to be, dependent primarily on the wishes of the

people in those countries. I think that is what the Senator from Kentucky had in mind when he spoke of the principle of self-determination. I believe he will agree with me when I say that whether these countries will go communistic will depend on the wishes of the people of the countries. The aggressiveness and persistence of those disseminating the revolutionary ideas of communism should warn us against expecting such an easy victory.

But even assuming that the Communists are thwarted in their strategy of boring from within at a tremendous cost to ourselves, western Europe would still be faced with the threat of Russian armed aggression. It is generally agreed that Marshal Stalin can march through Europe any time he desires. With early adoption of the Marshall plan by the Congress in prospect, I have not noticed that the administration, including Secretary Forrestal and Secretary Royall, has decreased in any degree the propaganda for universal military training. I challenge any one of them to say to the American people that the Marshall plan is an adequate substitute for national defense, in whole or in part.

Mr. WHERRY. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I yield to the Senator from Nebraska.

Mr. WHERRY. I ask the Senator if he read the press report this morning relative to the action of the committee which has developed a new American preparedness program at Key West.

Mr. KEM. Yes; I read it hurriedly. I think the Senate would be interested in hearing it, if the Senator has it.

Mr. WHERRY. I have the release here. It came as quite a surprise to me. This is by a reporter for the Washington Post, and appears in this morning's paper. I read:

A new American-preparedness program is expected to come out of an extraordinary meeting of the high command now under way at the Key West (Fla.) Naval Base.

In announcing the conference late yesterday, officials termed it "historic" and forecast that the top commanders will return next week with the first over-all strategic defense plan in United States history.

Based on this general blueprint, a comprehensive program for the security of the United States under present-world conditions will be drafted and presented to Congress next month, a high source revealed.

Defense officials agree with Secretary of State George C. Marshall that the world situation is "very, very serious," and declare that an extensive program to put our armed forces in shape to meet an emergency is mandatory.

The release proceeds, and states that Congress will be receptive.

The point the distinguished Senator from Missouri is making is that, regardless of the arguments advanced by the proponents of the bill, namely, that the economic program will stop communism, yet there has been no let-down by the agencies of the Military Establishment, but they indicate we should proceed at a terrific rate to arm ourselves to avoid the threat that is attempted to be stopped by the economic program. Am I correct?

Mr. KEM. I think the Senator is exactly correct, that there has been no let-down in the propaganda emanating from the administration to that end.

Mr. WHERRY. And that in the final analysis the only way we will stop communism is to use the force Mr. Stalin understands. Is that correct?

Mr. KEM. That is correct.

Mr. BALDWIN and Mr. LODGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and if so, to whom?

Mr. KEM. I yield first to the Senator from Connecticut, and then I will yield to the Senator from Massachusetts.

Mr. BALDWIN. I should like to make clear at this point, when we are discussing military preparedness, that while I intend to support the plan proposed and vote for the bill, I am under no illusion that it guarantees a complete and adequate defense, though I firmly believe it holds an everlasting hope that warrants our investment in it. I firmly believe it has great possibilities in being a step toward peace, but I do not believe, and have never said, that it would be a guaranty.

I am also in favor of adequate military preparedness. I think that in Congress we are going to be called upon to make substantial appropriations for an Air Force, and I intend to support that.

I would not refer to the plan of European recovery as a halfway measure. It is not a halfway measure. But I think it is going to require more than the European recovery program to guarantee to us our security. I think that one of the absolutely essential steps in working out this guaranty is the adoption of the particular program we are considering.

I repeat, Mr. President, it is no substitute, and is not offered as a substitute, for adequate military preparedness on the part of the United States. We must have that too.

Mr. KEM. I take it that no Senator should vote for it with that idea in mind.

I yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, I wonder if the Senator from Nebraska will give me his attention. I heard him read the clipping from a newspaper announcing that the representatives of the Army, Navy, and Air Force had agreed on a preparedness program. I understood the Senator from Nebraska to speak critically of them for having done so.

Mr. WHERRY. Mr. President, I did not say anything critical about it. I said that the economic program the distinguished Senator from Missouri was discussing had not stopped communism, that the only way to stop it was in the way suggested, by force, and that the Naval Establishment had made plans, and extensive plans, and was going to require large appropriations by the Congress, to actually stop communism in the way it must be stopped.

I am not critical. In fact, I think that if conditions are as bad as they are said to be, we should tell the American people the truth. If conditions are as bad as they are reported, then we had better put our house in order instead of going into a 4-year program that does not guarantee any more than the program we have had for the past 3 years, which I call a bankrupt foreign policy.

Mr. LODGE. Of course we have had a bankrupt foreign policy, there is no question about it, and I do not think anyone here questions it. What surprises me is to hear the Senator from Nebraska using strong words and rattling the saber when he knows very well we are not ready to do anything.

Mr. WHERRY. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I yield.

Mr. WHERRY. Will not the Senator from Massachusetts smile a little?

Mr. LODGE. Yes; I smile whenever I look at the Senator from Nebraska. [Laughter.]

Mr. WHERRY. I hope that remark is not made disrespectfully.

Mr. LODGE. Not at all; I say that in a friendly spirit, because the Senator from Nebraska is indeed good-humored, and I think it is a good thing to conduct these debates in good humor.

Mr. WHERRY. I am not rattling any saber, but I am cosponsor of an amendment with the Senator from Minnesota [Mr. BALL] to bypass the veto, so I am not making a demagogic statement.

The foreign policy is being changed almost overnight, and it is admitted it is being changed. If it is being changed, the Congress should reflect on this venture we are asked to go into, because if it will not serve the purpose to better advantage than the economic rehabilitation we have made by the Morgenthau plan, and by the appeasement policies we have followed with Russia, then the time is here when we had better put our house in order. My feeling is——

Mr. BALDWIN. Mr. President, will the Senator from Missouri yield at that point?

Mr. WHERRY. Mr. President, let me finish my observation please. My feeling is that at least on the part of the military that is the situation, and the point the Senator from Missouri was making was that there had been no letdown; that all the advice that could be had from the military and top-flight officials was that we should increase and not decrease the military appropriations to meet this threat; that the threat has not been stopped, and I think it is very doubtful if it can be stopped by the economic program favored by the Senator from Massachusetts.

Mr. LODGE. Does not the Senator from Nebraska think it is better to spend American dollars than it is to spend the young manhood of America?

Mr. WHERRY. Yes, certainly I do. I do not want war any more than the Senator from Massachusetts does. Let me ask the Senator. What is the difference between bypassing the veto, as provided in the amendment I speak about, or the situation in which we find ourselves in Greece to-day? We will not be any more extended. What will happen in Greece if there should be an overt act on the part of Russia? Are we to have a Dunkirk in Greece?

Mr. LODGE. There are no American troops in Greece.

Mr. WHERRY. Are we going to evacuate our troops from Greece or Austria if an overt act on the part of Russia should

take place in either country, with our token army of 1,100, or are we prepared to do the very thing the Senator is attempting to accomplish under an economic recovery act, which we may have to do in a military way, or else have to back out of those two countries? We have not actually stopped communism in Poland, Rumania, Bulgaria, Yugoslavia, Czechoslovakia, or Finland. Communism has been stopped because of a token army we have in Austria, and it has been stopped because of the military aid we have given Greece. Am I correct?

Mr. LODGE. There is no United States Army in Greece.

Mr. WHERRY. We are administering the policy in Greece, and the moment Russia walks in we will be in the same situation we would be in if we bypassed the veto and set up a group of free nations of the world.

Mr. LODGE. I disagree with the Senator. There are no American troops in Greece. Permit me to make this observation——

Mr. WHERRY. I said we had given them military aid. We are training their troops. We are appropriating money for military defenses in Greece, and we are doing the same thing in Turkey.

The PRESIDING OFFICER. Let the Chair call the attention of Senators——

Mr. LODGE. Does the Senator object to that?

Mr. WHERRY. No.

Mr. LODGE. Does not the Senator think it desirable to have as many friends as we can?

Mr. WHERRY. I am not objecting to that. The Senator and I are apparently in complete agreement. But I say that the proposition in the amendment that we have offered is not a bit different than the extension we have already made in Greece. The very same thing will happen in Austria. We have a token army there. If there should be an overt act on the part of Russia, we would have to move out.

Mr. LODGE. Is it not true——

The PRESIDING OFFICER. One minute. The Chair admonishes Senators——

Mr. LODGE. Is it not true that our policy in Greece and Turkey is an American policy, which we determined upon ourselves, whereas under the Senator's amendment the control of American foreign policy will be put into the hands of foreign countries?

Mr. WHERRY. No, because under the amendment the question as to what shall be done in case of aggression will be decided by America, so far as America is concerned. It is nothing more than the extension of the Monroe Doctrine to another area. Let us be frank about the matter. If we do not want to go that far, let us admit that what we want to do is to continue a bankrupt foreign policy for another 2 years. If we want to do that, let us tell the American people so. Let us tell them how serious the situation is. It does not seem to me that it makes any difference if we get four or five other nations to come in and back up this policy than it is to have our troops in Austria or Greece, and if an overt act on the part of Russia should take place, be obliged to back out of those countries. I do not want our country to get into war any more than does the Senator from Massachusetts.

Mr. LODGE. I know we both can agree that we want peace, but the Senator, from what he said, leads me to the conclusion that he is not willing to spend American dollars, but he is willing to spend American manpower.

Mr. WHERRY. No, of course not. I do not know how anyone can put such interpretation on what I have said.

Mr. LODGE. That is the conclusion I am led to by what the Sentator has said.

Mr. WHERRY. I will place my own interpretation on what I have said.

Mr. LODGE. Mr. President, I should like to have the record of what the Senator said read.

The PRESIDING OFFICER. Permit the Chair to make a few observations. The Senator from Missouri [Mr. KEM] has the floor.

Mr. WHERRY. Yes; that is true.

The PRESIDING OFFICER. The Chair cautions the occupants of the galleries against making any demonstrations. Demonstrations are not in order. The galleries will be cleared unless order is maintained in them.

Mr. WILSON. Mr. President, will the Senator yield to me?

Mr. KEM. I yield to the Senator from Iowa.

Mr. WILSON. I heard the statement made by the Senator from Massachusetts that we do not have any troops in Greece. We do have troops in Greece.

Mr. LODGE. Will the Senator give me the names of the units?

Mr. WILSON. I will produce them for the Senator. And up in the front lines are generals who have been leading the attack.

Mr. LODGE. We have an American military mission of officers in Greece, but we have no troops.

Mr. WILSON. Very well. I assume—if the Senator will further yield——

Mr. KEM. I yield.

Mr. WILSON. That the difference the Senator makes between troops and missions is that out of the kindness of its heart our Government is sending our soldiers up front, and it is said they are not troops because they had their arms taken away from them.

Mr. LODGE. No. I beg the Senator's pardon. There are no American soldiers up front in Greece. There are some American army officers who are there in the American mission in Athens, just the way an American officer is a military attaché in some foreign capital, and he goes up there as an observer. That is an entirely different thing from having regularly constituted troops units. There are no troops in Greece, I can assure the Senator from Iowa about that.

Mr. WILSON. If the Senator from Missouri will yield again to me, I may say to the Senator from Massachusetts that as a member of the Armed Services Committee I have reason to know that not only do we have troops up in front, unarmed, but the number is being increased, and there is now pending before the Armed Services Committee of the Senate a bill, already passed by the House, asking the Congress to authorize the President of the United States to send troops to any foreign country if it asks for them. I am against that.

Mr. LODGE. Let me say to the Senator——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. KEM. I yield.

Mr. LODGE. If the Senator says there is such a bill before the Armed Services Committee, of course, I believe him completely, because I know from service with him that he is accurate in statements he makes about matters of that kind. But insofar as troops in Greece at the present time are concerned, I am positive there are no American troops there now. I was there myself last summer, and I have recently checked the situation. There is an American mission of Regular Army officers there, but there are no troops in the accepted sense of the word.

Mr. WILSON. Will the Senator from Missouri again yield?

Mr. KEM. I yield.

Mr. WILSON. I am not saying there are battalions; I am not saying there are regiments; I am saying that in the front line of Greece there are officers who have been leading—and I am not saying wrongfully—the Grecian soldiers. I will say to the Senator again, if the Senator from Missouri will permit, that the bill to which I referred has already passed the House of Representatives, and is now over here—a bill which would permit the President upon request from any government, to send troops to any country to supervise elections, or otherwise, and then there is added "and so forth."

I do not know what that means. I am not saying that it is wrong, but I am saying that we ought to know the facts, and should be told the facts.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. Let me say in answer to the Senator from Massachusetts that all that we have ever asked, as the Senator from Nebraska says, is a little integrity in government, and that the people be told where we are headed. I think the Senator from Massachusetts knows where we are headed, and I think I do. I think we are in the same position today as we were in in 1916, when we reelected a President on the slogan that "he kept us out of war", when we were in war at that moment. I think we are at the point where we were in 1940, when we reelected a President of the United States who said that he would never send troops to Europe. At the moment he uttered those words, he knew that we were going to send them.

Today we are in the same position. All I have ever asked on the floor of the United States Senate is that we get a little integrity back into government, and say frankly to the people "what areas and nations in the world today—in Asia, the South Seas, the Middle East, and Europe—now covered by the Marshall plan must we currently protect for our own ultimate safety?" That is all I ask. We should tell the American people and

the world the truth, for two reasons—first, to let any nation in the world which contemplates aggressive action know that it will have to fight us, giving them a chance to change their minds; and, second, to tell the 18,000,000 boys and girls who have been in one or both wars, as well as their fathers and mothers, and the younger people coming along, who will have to do the fighting what they may expect, so that they may demand of the Congress, if we have not the guts to get the defense program started without such action—that they want something to fight with this time—and that they do not want to hold the line for 18 months with their bare hands this time while we are getting the proper material to them.

We backed into two wars—denying that we would fight and unprepared to fight. Let us try it once letting the world and our own people know what we intend to do.

Unfortunately two men believed us during the past 30 years when we said we would not fight—the Kaiser and Hitler. Upon investigation they thought we could not fight—so we had to. Few people believe that these two men would have gone to war if we had been prepared and had announced our policy.

Mr. KEM. Mr. President, I was very much interested in the observations of the Senator from Massachusetts about the Truman foreign policy. My recollection is that since I have been a Member of this body the Senator from Massachusetts has voted for each of the constituent elements of the Truman foreign policy as they have been presented here for consideration. Apparently he is dissatisfied with the whole, but likes the component parts. He does not like what he has had, but he wants some more.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LODGE. I have great regard for the ability of the distinguished Senator from Missouri. However, I believe that I can state my position better than he can.

I have absolutely no responsibility for the lack of preparedness for peace which was shown at the conclusion of hostilities. I have no responsibility whatever for the decisions made at Yalta and Potsdam. I have responsibility only for a few measures which have been unanimously reported from the Committee on Foreign Relations, and have passed the Senate by large majorities, since January 1947. I refer to the Greek- and Turkish-aid bills, the interim-aid bill, and this bill. I believe that the Greek- and Turkish-aid bills have justified themselves in large measure. The interim-aid bill has justified itself; and I believe that this proposal justifies itself. But the fact that I have supported those measures does not by the wildest stretch of the imagination make me a party to the tragic lack of foresight and the appalling miscalculations which were made at the end of hostilities, and which account for much of what is going on today.

Mr. KEM. Mr. President, I would not undertake to speak for the able and eloquent Senator from Massachusetts as to his own views. I merely comment on his position as expressed here today. I thought when he said it, and I think now, that he is in the position of a father who speaks unkindly of his own issue.

Furthermore, Mr. President, we cannot hope to battle communism by encouraging the development of socialism, as we have done and would be doing with our aid since the war's end. France, England, and Italy, which together would receive over $10,000,000,000 of the $17,000,000,000 under the program, all have socialistic governments.

Mr. President, it has been said here that there is a distinction between communism and socialism—that communism uses the methods of a police state, which socialism eschews. I am perfectly willing to grant that, Mr. President; but socialism and communism are at least blood cousins. They have the same common ideology. They are both based on the manifesto of Karl Marx and Frederick Engels. Both believe that the government should own and operate the means of production. Both disclaim a free enterprise. To both, an economic system such as ours, where private initiative is allowed full play, is anathema.

C. WESTERN EUROPE CANNOT ATTAIN THE PRODUCTION GOALS CALLED FOR IN THE TRUMAN-MARSHALL PLAN

The general objective established by the 16 nations at the Paris Conference was to recover sufficiently by 1952 to be able to balance imports with exports, and to establish a standard of living for their people above prewar levels. To do this, they set for themselves so-called production targets, by which they hoped to raise their levels of production considerably above those of 1939. Steel production, for example, would be increased approximately 20 percent above prewar levels under this program—of course, at the expense of the American taxpayer, and perhaps the American producer. The Harriman Committee report stated that western European production must expand well beyond prewar levels. This increase, it is said, is necessitated by reduced foreign investments, higher prices of imports and increased population.

It was simple enough for those countries to decide what and how much they want to produce and export during the next 4 years, and to send the United States a bill for their estimated deficits, but to say that it is economically possible for their production goals to be achieved is an entirely different matter. Thus far, there has been far too little information on this important phase of the Truman-Marshall plan.

One of the essential ingredients which would have to be present in order for western Europe to increase its production to the desired levels is an adequate supply of skilled labor. According to a recent survey conducted by McGraw-Hill, the Truman-Marshall plan countries do not have a sufficient labor supply to carry out their ardently optimistic program. Whereas in the United States the available labor force has grown by 8,000,000 workers since 1939, the labor force in Europe is no larger than prewar, due to comparatively heavy war losses. This country, by providing work for 6,000,000 of its unemployed in addition to the 8,000,000 newcomers, now has a total of 14,000,000 more workers in industry, commerce, and agriculture than it had in 1939. Western European countries in general have comparatively fewer workers in these categories—France, for example, 4 percent fewer than prewar.

Socialistic governments with their accompanying plans and nationalized industries have called for greatly increased numbers of government employees, further reducing the available labor supply. Then, too, as we noticed in commenting on the coal situation, shorter hours of work have served to lower production per worker.

In short, the over-all productive effort of the Truman-Marshall plan countries is limited by a serious labor situation, with little hope of improving. This factor makes it highly unlikely that the goals these countries have set for themselves can be attained.

Another factor bearing on the question of whether western Europe can attain the production goals set up under the Truman-Marshall plan is the matter of capital expansion. The 16 recipient countries have recognized the need for a greatly increased capital plant if they are to be able to turn out the amount of goods called for by this program. It would seem in this respect that Europe has bitten off more than she can chew. It is pointed out that, beginning with a crippled capital plant, the recipient countries have scheduled nearly 20 percent of their output to go into capital goods, which is 3 percent more than the United States, with its intact plant, is currently devoting to capital expansion. This 20 percent, of course, is in addition to the capital goods this country is called on to supply under the program. It has been pointed out that it is hardly possible for these nations to convert any such percentage of current production into plant expansion, and still meet export goals and the demand for foodstuffs and raw materials at home. The Harriman committee report stated that it seems unlikely that European nations can prudently afford to sustain capital formation on as large a scale as they have planned.

Thus, in view of the manpower shortage and the overoptimistic capital-development plans, it seems highly unlikely that western Europe would be able to meet the production schedules she has set for herself. There is yet another factor which must be considered: Assuming that the 16 recipient countries are able to increase production sufficiently to meet the requirements of the plan, will there be world markets for the contemplated exports? In order for her exports to balance her imports by 1952, it is necessary for western Europe to expand her export volume far above prewar levels, due to reduced foreign investments, higher prices of imports, and increased population.

Great Britain, for example, hopes to export 75 percent more goods than before the war, primarily tools, machinery, and other such manufactured products. France, Holland, Belgium, and Italy must increase their exports of similar products.

Here in the United States it has been estimated that to maintain full employment, our total export volume must be about three times that of prewar years, and in the same general lines as those of western Europe.

Since, together, western Europe and the United States took only one-third of the world's exports of goods before the war, it is obvious that other markets must absorb the bulk of these contemplated exports.

However, eastern Europe, which normally would be willing to exchange her agricultural products for industrial goods of the west, is behind the iron curtain, and any trade takes place only at the direction of the master of the Kremlin. Due to the strife and impoverishment in Asia and the Far East, that potential market is not likely to offer a market of any size in the near future. Latin America, it is true, is buying more, but at the same time is attempting to expand her industrial plants.

Hence, there seems little possibility that western Europe, even if she is able to produce according to schedule, can find markets for the industrial products she will have to offer.

D. OUR APPROACH TO THE PROBLEM OF FOREIGN RELIEF HAS BEEN FAULTY

The entire effort to effectuate economic recovery in Europe by intergovernmental loans is faulty both from political and economic viewpoints.

Loans between governments serve to create friction and ill will on the part of both borrower and lender. The borrower objects that the loan is insufficient or that the terms are humiliating, while the creditor nation is angry when the loan is not repaid.

The experience of the United States in this respect in the past is fairly typical. We are all too familiar with the cries of "Uncle Shylock" after the First World War. More recently Great Britain resented what she termed the onerous terms attached to the $3,750,000,000 loan, which was also referred to in the British press as a "disastrous bargain." In view of the fact that this sum was squandered in one-third of the period it was supposed to last, certainly it would seem that we should have had more to say concerning its disposition.

Then, too, it is almost impossible to dispel doubts as to the underlying motives of the creditor nation. Many Europeans still are not convinced that Uncle Sam with his Truman-Marshall plan is not about to go on a wild spree of "dollar imperialism." The Russians have made good use of this particular point in their propaganda campaigns against this country. So long as we adhere to this system of large-scale loans—you may call them that if you wish to—and grants between governments, we cannot hope to win the gratitude and friendship of the countries we are trying to help.

Even in the case of purely humanitarian shipments of food, our policy of turning our donations over to the governments, instead of directly to the people we are trying to protect from hunger and cold, has often had undesired results. These governments, in turn, sell these products to their people, who have had to pay high prices in terms of their own currencies for our gifts. Certainly a Frenchman who has just paid most of his week's earnings in francs for a small amount of food cannot be expected to have his heart swell with gratitude for the United States, even though we did give that same food to the French Government. Then, too, part of our shipments inevitably are swallowed up by the black markets, and fail to reach the mouths of hungry people.

In addition to the fact that past loans and grants by the United States to other governments have served to create ill will toward our own Government and people, the very character of such fiscal devices prevents their achieving the desired economic improvements within the debtor countries.

If the creditor nation attempts to impose conditions on its loans and grants to insure that they will be used to the best advantage, it immediately encounters protests from the borrowing country that its national sovereignty is being violated. The United States has been confronted with this problem frequently. Only recently in attempting to work out an agreement with France under the interim-aid program, great difficulty was encountered in phrasing the language of the agreement so that it would conform to the provisions of the act and still not constitute what France considered an infringement on its national sovereignty.

The Truman-Marshall plan is conditioned on a program of self-help by the borrowing governments. But these 16 nations have given no indication that they intend to discard the socialistic practices which have nullified our aid thus far, and which will as surely continue to paralyze economic recovery in these countries. The Truman-Marshall plan would only defeat its own end by encouraging the ill-conceived policies which are at present at the root of western Europe's economic troubles.

However, Mr. President—and I invite the attention of the Senator from New Jersey to what I am about to say—I do not believe that this Nation should isolate itself from the problems of the world and bury its head in the sand. We should extend what aid we can spare to the nationals of those European nations who are interested in maintaining and promoting the free enterprise system to which we are committed.

In formulating a program of assistance to them, we would be wise to keep in mind those principles which have made America great and strong and under which the goods and commodities which our European friends ardently desire have been produced, and, thank God, are being produced today. Our vast achievements and incomparable standard of living are due primarily to the individual decisions and efforts of millions of private citizens in our free-enterprise system. Free enterprise is no claptrap phrase; it is a principle which has worked to produce the greatest advance in the material condition of man in history, right here in the United States.

Mr. SMITH. I thank the Senator for stating his position. I want to compliment him on his presentation of his side of the case today. He has made a very important contribution to the discussion.

Mr. KEM. I thank the Senator very much.

We must keep in mind that one of the most important contributions America can make to the future welfare, peace, and economic recovery of the world is to put her own affairs in order here at home, particularly by giving full free play to those economic instruments which have enabled us to attain the position we occupy today as a world leader. If this country weakens herself too much in her efforts to aid others, the last barrier in the world to communistic aggression will have fallen. Thomas P. Hogan, of Marshall, Mo., has written me:

> Self-preservation is the first law of nature. Charity? Yes; if we can afford it. No; if we can't.

As a capitalist nation believing in the principle of free enterprise, we should apply that principle to developing a program of assistance to western Europe.

In the first place, we should place the requests for food from abroad in a separate category entirely. I am sure that America is willing to give these people food to keep them from starving until they can raise or pay for their food requirements. Food we should send as an outright gift, going forward with the compliments of the donors, although we should take all necessary steps to insure that it reaches the mouths of the hungry, and that it is not swallowed up by profiteers in the black markets. This purely relief program should be handled either by one of our civilian humanitarian agencies, such as the Red Cross, or by a separate and distinct Government agency set up for that purpose, dealing directly with private channels of distribution. Of course, it should be ascertained before any shipments are made that the need abroad actually exists, and that the sending of any particular items will not create scarcities here at home.

The remainder of the program, the rehabilitation phase, should be handled on a strictly business basis, and administered by businessmen who know how to get results with our dollars they spend.

Europe will need certain essential raw materials such as cotton to stimulate her industrial production and to eventually become self-supporting. Such quantities and types of these materials that we can safely spare we should make available to her on the basis of commercial loans, not gifts.

In regard to capital requirements, such as new machinery for industry, we should give these countries access to our money markets for loans that are sound enough to be financed. If the past record of the borrower justifies such a loan, with a reasonable chance that it will be repaid, there should be no difficulty in finding available private capital.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield to the Senator from Nevada.

Mr. MALONE. Having fed the hungry people of Europe, and being ready to continue to discuss further feeding of such

hungry people on a charity basis, without any return—then only the State Department and the President of the United States can determine and announce a definite foreign policy.

Mr. KEM. Exactly.

Mr. MALONE. Does the Senator from Missouri understand that the major countries, such as England, France, and others, have definitely adopted a socialization and nationalization plan of industry and of government ownership, and that no money can be invested in those countries by private investors by citizens of this or any other country, or any part of such investment taken out of the country? Does the Senator from Missouri understand that?

Mr. KEM. I understand that, and I am glad the Senator raised the point. Of course we should expect to find the rate on a loan to a concern in the British steel industry lower, if the threat to nationalization were removed, than at present, when the Socialists plan to take over the British steel industry at no distant future date, depending, I may say to the Senator from Nevada, upon when they get further money from America.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. MALONE. Sir Stafford Cripps, in our conversation, informed me rather belligerently, I thought, although I had not said anything about the subject until he mentioned it, that England intended to nationalize the steel industry as rapidly as possible. The coal industry had already been nationalized. I personally know men in this country, one man in particular, who started to construct a stainless steel plant in England prior to the war, who would like to become financially interested in European industrial plants and take the business risk, but they cannot take the risk of nationalization of their investment. The same man who initiated the work on the stainless steel plant has announced that he would complete the plant if there were any way of doing it on a business basis, and if there were any way of getting any return whatever for the money, but since the nationalization plan has been announced, no money can be secured on that basis. In other words, the local money has been stopped from going into industry, and they have stopped private investments from this country, definitely. Their own nationals have nearly as much money invested in this country as the amount which is now being asked for under the legislation, yet our Government is asked to give money obtained from its own taxpayers to their government to expand and construct industrial plants and to be owned by their own government free of debt.

Mr. KEM. I thank the Senator for the contribution.

Of course, we should expect to find the rate on a loan to a concern in the British steel industry lower if the threat to nationalization were removed than at present when the Socialists plan to take over the British steel industry at no far distant date—assuming, of course, that the Socialist government of Britain is able to get more money from the United States.

CONCLUSION

Mr. President, I have spoken too long. My only excuse is the gravity of the subject which we are considering. There is none more awful this side of the grave.

A few weeks ago, a time-honored custom was observed in the Senate. Washington's Farewell Address was read in this Chamber. As the voice of the Senator from Connecticut who read the address rang through the Chamber, I could not help but ask myself: Is there a Senator who believes that the European recovery bill—then pending before the Senate committee—is consistent with the precepts or the spirit of the farewell testament of the Father of His Country?

Perhaps I have not kept up with those who would make America over. Perhaps I am lagging behind in the atomic age. Perhaps I do not fully appreciate the significance of the one world in which we live.

But, Mr. President, in what I conceive to be the spirit of that great document, Washington's Farewell Address, may I urge three policies for the thoughtful consideration of the Senate and my fellow Americans:

First. Let us stop meddling in the internal governmental affairs of Europe, Asia, and Africa.

Second. Let us drive the Communists and fellow travelers from all employment under the Government of the United States, and make it as difficult as possible for them to return to any such employment.

Third. While we still have strong resources, let us spend as much as may be needed to build a national defense so strong that neither Russia nor any other aggressor nation will dare attack us.

Mr. President, I shall vote against the pending bill.

Mr. TAFT obtained the floor.

Mr. BALL. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. TAFT. I yield.

Mr. BALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I send to the desk an amendment which I offer, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 25, lines 15 and 16, it is proposed to strike out "$5,300,000,000" and insert in lieu thereof "$4,000,000,000."

Mr. TAFT. Mr. President, in connection with my amendment to reduce the first-year authorization from $5,300,000,000, I intend to discuss the general theory of the European-recovery program and the proper basis on which that program ought to be conducted.

I can hardly add anything to the very elaborate and excellent discussions which have already taken place, but I do wish to present my point of view on some problems in connection with the program, and particularly on the general theory upon which the program is based.

In summary, I am in favor of giving aid to the countries of western Europe, but only for specific programs clearly necessary for subsistence, or clearly helpful in increasing their production, especially for export. I am strongly opposed to committing ourselves to any over-all global plan to make up some theoretical deficiency in exports and to making any moral commitment beyond the amount authorized for the first year.

I am in favor of extending further aid to the countries of western Europe beyond the demands of charity only because of the effect our aid may have in the battle against communism.

We Americans have always believed in charity for all. Our missionary enterprises and our philanthropies have reached into every continent. For more than a century American standards of health and well-being have been spread abroad by church effort, by welfare and relief groups, and by the Government on occasion. American help penetrated all of Europe after World War I, and I myself was secretary of the American Relief Administration, which dispensed sums large for those days, both in providing foodstuffs to governments and charity to their peoples. That aid was completed within 2 years after the end of the war, but after that American aid went into Communist Russia in the days of Lenin, feeding the masses whom the Bolshevik leaders had liberated from depression to starvation. American aid was rushed to Tokyo on a large scale after the disastrous earthquake of 1923. The word "American" has come to mean help throughout the world. But that help, given out of our generosity and because of it, was a very different matter from the proposal now before us. Such aid did not purport to solve the long-range economic problems of these other nations. It was never in a volume which materially affected the permanent economy of other nations or constituted a strain on our own. But aid on any such scale as is now proposed, imposing serious taxation on our own people, and creating scarcity and high prices and economic unrest at home, is an entirely different kind of aid from the help we have heretofore extended.

We have also from time to time financed, for the most part through private capital, various sound economic projects in foreign countries or projects which were supposed to be sound. Our Government itself, through the Export-Import Bank, has sometimes furnished assistance, but always for projects which showed an excellent chance of full repayment. That was an entirely different program from the one we are considering. In this case the sums advanced admittedly will not be repaid in any considerable degree.

This program, therefore, becomes a question of foreign policy, and foreign policy only. It can be justified only if it is for our own ultimate benefit, for the benefit of our own people, either as an economic program, or as a political program.

In my opinion, the program is completely without economic justification. On the other hand, I think it is justified by the world battle against communism. As an economic proposition, I doubt if any of the sums advanced will ever be repaid. Our experience with loans from one government to another is that in times of stress repayment is completely forgotten, and there is no way in which the loans can be collected. If the advances were in a smaller sum, there might be some chance of collection, and there may be some chance of collection on a few limited projects. But all the chances are in favor of a complete repudiation, even if there are promises to repay. These countries today have a huge trade deficiency with the United States and other countries. We will be lucky if they can ever be built up to pay for current exports from this country by imports into this country. Certainly, there will never be a balance to enable them to pay back past obligations.

It is said that we will promote foreign trade which, in the end, will be beneficial to us. If the American taxpayer pays out $17,000,000,000, it will certainly take a hundred years of improved trade to repay that cost in increased benefits to the American people.

From an economic standpoint, it is difficult to see why we should finance projects in foreign countries for the expansion of their productive facilities when we refuse to use taxpayers' money for that purpose in the United States. Economic recovery in western Europe must depend principally on the people themselves, on their willingness to work, and on sound government policy. Only their own government can balance their budget, maintain a stable currency, and create the incentive to produce and to export.

I quote here, as I wish to quote a number of times, from the distinguished former Senator from Wisconsin, Mr. La Follette, who was the most active member, I think, of the so-called Harriman committee. He said:

> A second major conclusion of the committee relates to this question. It is that only the Europeans can save Europe.

Note that—"only the Europeans can save Europe."

> Nothing the United States can do will be effective unless the Europeans do much more.

I wish, Mr. Chairman, I could underline that statement, because there is no conclusion of the President's Committee on Foreign Aid upon which it was more emphatic and more in agreement.

> Plainly, the burden of increasing production will fall almost wholly on them. The volume of assistance recommended by the committee would amount to only about 6 percent of the national incomes of the receiving nations in the first year. As the volume of assistance declines and European production grows, it will be a diminishing proportion.

Secretary Marshall himself points out in his statement before the committee:

> Only the Europeans themselves can finally solve their problem.

I think we tend to overestimate the importance of American dollars and the effect such dollars can have. Even with this full-scale plan, as pointed out by former Senator La Follette, we only meet 6 percent of the goods and services which they need and most of which they supply themselves. And yet that 6 percent may be very important, particularly in speeding up the recovery which otherwise might be delayed by serious bottlenecks and difficulties of providing particular types of goods necessary for their continued recovery at a rapid rate.

I believe very strongly that a too-lavish distribution of American dollars will do more harm than good. The threat of uncertain but potentially limitless American aid could deter all efforts of European businessmen, labor unions, and Government officials to rebuild on the basis of their own efforts. Why should they labor painfully to reconstruct this factory or that factory if a whole new factory may be given them, scot free from the United States, at some future date. In order even to be helpful to these countries, the aid must be most carefully distributed to projects which will clearly be helpful to increased production. This principle we must insist upon. I think the program cannot possibly be justified unless it is confined to that type of project, a project which we see, when we undertake it and when our Administrator authorizes it, will actually result in increased production in these particular countries.

There are undoubtedly many activities where only our assistance can remove the bottlenecks and prime the pump with the raw materials and machinery. But the aid must be carefully administered if it is to do economic good, even to Europe.

Certainly, there can be no economic justification whatever for our buying wheat in Canada and the Argentine and giving it to Great Britain or France. There is even less justification for buying coffee from Brazil and giving it away in Europe, because it certainly has no food value. We are, however, during the first year, spending $82,000,000 of American money to buy coffee in Brazil to give to European nations. It would take fantastic New Deal economics to justify this extraordinary proposal which takes about $2,000,000,000 of American taxpayers' money during the next 12 months. The only possible argument is the old New Deal theory that Government spending is a good thing in itself. Whatever can be said for spending in times of depression, such spending at times like this, even in the views of the wildest school of economics, can only increase inflation. There certainly can be no economic justification for such a procedure as we contemplate in buying more than $2,000,000,000 worth of goods the first year from Canada, the Argentine, Brazil, and other countries in America, in order that we may give away the goods thus acquired to the western European countries.

Furthermore, from an economic standpoint, the proposed program is a serious interference with our own economic stability and can well do more harm than all the economic benefit conceivable for many years to come. It imposes about $6,000,000,000 of taxes on our people, which reduces their standard of living, either by taking away their income or increasing the prices which they have to pay. The free distribution of American dollars over the world is one of the main causes of inflation which we have suffered during the past year and which may not yet be checked.

In the year 1947 we exported in goods, services, and invisible items $19,400,000,000 against imports of $8,000,000,000. In other words, we took $11,400,000,000 worth of goods and savings out of this country without any corresponding production or imports. That created shortages which, in my opinion, were chiefly responsible for the inflation which began, or which was resumed, we may say, in May 1947. It seemed last year that prices had about stabilized themselves, but after the tremendous exports of the second quarter they started steadily upward again. Roughly speaking, the committee bill contemplates an increase in exports to western Europe of approximately one and one-half billion dollars, including invisible items, over the exports to Europe in the year 1947. The Department of Commerce estimates that exports to the rest of the world will fall off some two and two-tenths billion dollars, and that the export surplus will, therefore, be only ten and one-half billion dollars, as compared to eleven and four-tenths in 1947. The tremendous surplus in 1947 was due almost entirely to the freedom with which we distributed dollars throughout the world. Many of these dollars were accumulated during the war from lend-lease and many other military expenditures. These dollars have been liquidated, but under the committee plan, more than $2,000,000,000 will be made available to Argentina and Canada to compete in this country with our own citizens for goods which may be in short supply. Other dollars are made available through the Export-Import Bank, surplus property credits, ship-sale credits, UNRRA, post-UNRRA relief, and the British, Greek, and Turkish loans. In addition to this, dollars have been distributed by the International Fund and also by the International Bank.

It is generally admitted that after the World War we overloaned our money to foreign countries. When, in 1929, these loans stopped because it became apparent that they could not be repaid, our export trade and all the employment based upon it collapsed and added to the intensity of the depression. Now we are

repeating the same principles with the taxpayer's money instead of the money of private citizens. Sooner or later this huge export trade must decrease, and, unless it is very carefully handled, such decrease may be a substantial contributor to a new depression. The free credit which we are granting and have been granting to all parts of the world is creating a false prosperity which cannot be permanently maintained.

Mr. President, I see no economic justification for the program. I see many reasons why it may be seriously harmful to us, or at least require us to sacrifice. If it is well and carefully administered, I do not believe that the amount of harm it may do, in reasonably limited amount, can balance the political advantage of the plan; but certainly if it is badly administered, the harm that can be done under the plan will probably be much greater than any political advantage we could obtain.

If we are looking merely to economic advantage, our assistance should be confined to projects which clearly will repay the advance, and that would be a very small sum indeed. After all, these countries have had nearly 3 years in which to recover from the war, and in many of them there was no considerable war destruction anyway. Their difficulties are to some extent of their own creation, and outside aid will not solve them unless they fully cooperate themselves.

As Senator La Follette said to the committee, the Harriman committee was convinced that the inability of the European nations at this time to pay their own way grows more largely out of economic and social disorganization than out of wartime destruction, or even out of adverse external economic circumstances such as the high price of imports and the loss of foreign investments.

However, I should like to vote for a program of economic aid in a reasonable amount, under the excellent system of administration proposed by the Committee on Foreign Relations. I believe that the justification for the aid rests on the extraordinary condition which exists in the world today and the desire, in order to meet that condition, that we build up the strength of western Europe, even in spite of the heavy cost to ourselves and the very considerable economic danger.

Today we are engaged in a battle of ideologies, a battle of freedom against communism, a battle of the philosophy of justice and equality and liberty against the philosophy of a totalitarian state ruthlessly directing by force the existence of every man within its power. Communism is a religion. It has the crusading strength of a new religion. It fights by methods which are difficult for free people to meet—in fact, we are still extremely uncertain how to fight the kind of battle which is now being waged. The Communists are experts in the field of propaganda. Their philosophy appeals to many who are dissatisfied with existing conditions. They evidently feel that they can make progress by interfering with production through strikes and discontent.

I think from their viewpoint they agree that if we can in some way restore the economic strength of Europe, that will be a weapon against this kind of communistic attack, which, after all, is not in any sense, I think, a military attack. I think it is unfortunate that we have adopted the term "cold war," because, after all, a "cold" war is not a war. It is a war of ideologies. It is a war of philosophies. It is a war to take over the souls and minds of people by those with sufficient strength and force in their own communities to enable them to rise to power and direct the kind of life which shall exist in those communities.

In the propaganda field we are trying to set up a propaganda machine to compete with that of the Russians. Personally, I do not think propaganda from foreign countries is very effective one way or the other unless it is accompanied by direct infiltration into all kinds of organizations. That is the kind of thing at which the Communists are expert. It is apparently the kind of thing which we have no means of duplicating by infiltration of our own philosophy.

Undoubtedly, however, by their own admission, if we can create a condition in these countries under which production is increased, together with the standard of living, conditions will be much less favorable for Communist success. In the long run, I think these countries would be better off if they brought about their recovery through their own efforts with a little outside aid, but it might take 10 years to do the job, and it is possible that it could be done in 2 years with our help.

I have pointed out all the pitfalls that may exist and the possibility that the plan may completely fail, but if it is well administered and if we have the cooperation of the governments of these countries, we can improve conditions more quickly. We may lose every cent we put up, but it seems to me there is a chance that it will aid the battle against communism. The stakes are so large that I believe we can afford to take that chance.

I think it should be pointed out, however, that this program is not aimed at opposing any communistic military attack. The effect of this program is not going to be material, certainly for a year. We shall not see the effect of it for some time. I do not see how it could prevent a Communist coup such as took place in Czechoslovakia, under similar conditions. That event would have occurred even if we had adopted this plan a month ago. It may be a year or 2 years before the plan really affects materially the economic condition of these countries.

It may be that the adoption of the program will increase the morale of those who are fighting communism. Therefore, if we are going to adopt this program, I think it ought to be done quickly, to get the effect at once. In the long run, I do not put much stock in the argument about building morale, particularly if every shot in the arm costs $6,000,000,000. It has a temporary effect, but the morale effect wears off quickly, and may be balanced by disappointment when the aid does not come fast enough. If we are going to do it, let us get the advantage of the morale at a time when we need it. Let us pass the bill as quickly as possible. But I do not believe, as a long-term proposition, that the sole argument of morale is very effective.

Mr. President, I wish to point out again that this is not a war measure. If we face war we had better devote all our attention to military aid, because the effect of this aid will hardly be felt in improving conditions before war comes. Personally I do not believe in the war theory, although, of course, I do not have the information which is available to the President and the Secretary of State.

I do not quite understand the statements made yesterday by Secretary Marshall and President Truman. They almost imply that they believe that we do face a war question; and then they seem to use the concern which is aroused to urge the passage of this particular program. I do not believe that the two are connected. If there is such a condition, that seems to me to be rather an argument for military force, because if a war is to come, any money given in this program will be to a large extent wasted if war comes within a short period of time.

I believe that the tone of the President's statement that his confidence in ultimate world peace has been shaken is unfortunate. Certainly it is no argument for the passage of this bill.

If he has the information on which that statement can be based, we should be told what the information is. If not, it seems to me we should proceed on the theory that war is not in prospect. It is on that theory that I am supporting the present bill.

Mr. MALONE. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. MALONE. Then, if I correctly understand the distinguished Senator's argument, it is that if it should develop that we are on the verge of a war or in danger of a war, and this Congress should be asked for an appropriation of $16,800,000,000 for an air corps—such as has been recommended by our own congressional air board—then we should drop the Marshall plan.

Mr. TAFT. No; I do not think that is the necessary conclusion at all. I think we should have a very strong armed force, regardless. In the present world, I think we should have a force—an air force, in particular—sufficiently strong so that no country can successfully attack the United States; and that is so whether there is any immediate threat of war or whether there is not any immediate threat of war.

Personally, if there were an immediate threat, if the Russian troops were advancing, I do not think I would go ahead with this particular program, if that is what the Senator means.

Mr. MALONE. That is really the question, and we should know what we are prepared to do in such an eventuality.

Mr. TAFT. But let me say that I myself know of no particular indication of Russian intention to undertake military aggression beyond the sphere of influence which was originally assigned to the Russians. The situation in Czechoslovakia is indeed a tragic one; but Russian influence has been predominant in

Czechoslovakia since the end of the war. The Communists have merely consolidated their position in Czechoslovakia; but there has been no military advance, there has been no military aggression, since the end of the war.

The situation today is merely a logical development of our own foreign policy and of the agreements made at Yalta and at Potsdam. We could have occupied Czechoslovakia. The troops of General Patton were at the doors of Prague. We could have occupied all of western Germany. We could have taken over Berlin. But we chose to withdraw because of the terms of the agreement made at Yalta. The suppression of freedom in eastern Europe is the direct result of this policy of our own Government. I do not see that today we can correctly conclude that anything which has been done increases the probability of a military war, and I am quite willing to proceed with this program and any other program on the theory that we do not face such a war.

Of course we want adequate defense. We want adequate defense even if there is only one chance in a thousand of a war. But because there is such a remote chance, I do not think we can therefore suddenly put our whole country on a war basis, and give up the assumption on which our whole daily programs in the Senate and in the United States are based.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. MALONE. I am just a little confused by the Senator's position. If we are threatened with a war, and if it is recommended that we must go ahead, a definite rearmament program including the building of such an air corps—then what is the Senator's position? Again, are we going to lend $17,000,000,000 provided by this legislation to prevent what was promised to Russia at Yalta and other conferences by our own Government officials?

Mr. TAFT. In the first place, we are not loaning $17,000,000,000, so far as I am concerned. I am proposing that we loan $4,000,000,000; and that, plus the cost of the German program, will be about $5,000,000,000 altogether. There will be no $17,000,000,000, so far as I am concerned. I do not regard this measure as a moral commitment for any more than we propose to spend for the first year.

Mr. MALONE. Then cannot we correctly conclude that the purpose of the plan now under discussion is to prevent Russia from taking over the area which was promised her by our own Government officials?

Mr. TAFT. We are doing this to assist free governments throughout the world at the most critical point, namely, at the point of contact with the ideology of communism.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. TAFT. I would be delighted to do so.

Mr. MALONE. Are we proposing, then, to spend money now, under this plan, in order to prevent what our own Government leaders proposed to let Russia do—in other words, to take over those countries? Is it not time that we know what our foreign policy really is?

Mr. TAFT. No; we are doing it to strengthen the economy of western Germany and of the other countries on this side of the iron curtain. This plan has nothing to do with the countries beyond the iron curtain, because so far as this plan is concerned, I see nothing we can do, I see no step we can take in this connection with respect to them.

Mr. MALONE. It is said that in a few weeks the Communists may take over Italy. Of course, if they did, as the Senator has said, we would stop this proposed program so far as Italy was concerned. But where is the line where the aggression must stop in the interest of our ultimate safety?

Mr. TAFT. I think our program must be based on trying to assist free governments against the advance of the Communist ideology throughout the world. I think it should be done in China and wherever else it can be done. Perhaps it can be done by military aid within the country itself, as in the case of China or Greece.

But that is the only policy I think we can pursue.

Senators have spoken of propaganda which we have already authorized. One of the things we can do is to make this attempt to strengthen economically the countries which still maintain a government presumably, at least, of the form of our Government.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. MALONE. I am entirely confused as to the policies we seem to be building up. So I would ask the Senator again if he would approve the trade treaties, which have been made and are being made by the nations included in the Marshall plan, to process and manufacture goods from the raw materials which we are to furnish them under the Marshall plan and send such products to the countries behind the iron curtain, the very raw materials which we have furnished them and have promised to continue to furnish them under the Marshall plan—in other words, just a manufacture-in-transit convoy from the United States to Russia and her satellite countries.

Mr. TAFT. No; I would not favor that. I think our Administrator has the power, under this bill, substantially to prevent that—although perhaps not all of it. A certain amount of exchange of certain kinds of goods probably is a good thing.

But I think the Administrator will have the power to restrain that. I must admit that the successful accomplishment of the purpose of the plan depends largely on the ability of the man who runs it; and there lies my doubt about the whole proposal—in short, whether we shall obtain that kind of man.

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. KEM. I ask the Senator from Ohio whether the report of the CEEC conference in Paris discloses that the very genius of the whole plan is the free interchange of commodities between the countries of western Europe and the countries of eastern Europe, both those in front of and those behind the iron curtain.

I should also like to ask whether it is currently reported that the present Socialist Government of England is negotiating with Russia a trade treaty which contemplates the shipment of large quantities of steel from England to Russia.

Mr. TAFT. Frankly, I do not know. I should say that if that develops, I would cut off aid to Britain. If it brings steel to Russia, I myself certainly would favor elimination of the aid to the country that furnished that steel, so far as I am concerned.

But there are many other things that might be permitted to go, which probably would assist both countries.

Perhaps gradually it may redeem some of the countries now behind the iron curtain, if their economic condition is improved.

Mr. KEM. Does the Senator from Ohio understand that it is the present policy of the British Government to negotiate a trade treaty with Russia?

Mr. TAFT. I have been told that. I do not know the details. But I think if they want to get the aid under this bill, they had better be very careful about what they undertake to ship to Russia. That would be my advice to them, if they asked for my advice.

Mr. MALONE. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield to the Senator from Nevada, although I hope I may finish this statement rather soon.

Mr. MALONE. The thing that amazes me is that after it is well known—after the facts are known—that such materials are actually finding their way to Russia and her satellite countries that we even consider voting for such a plan.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. TAFT. Yes; I yield to the Senator from Idaho.

Mr. TAYLOR. It is my understanding that, as the Senator from Ohio has stated, there is no immediate danger of military aggression on the part of the Russians. Is it his opinion that political developments in this country, with waning political fortunes, could influence the question of whether there will be war with Russia or not?

Mr. TAFT. The Senator states his question with so many implications that I think I should prefer not to answer it. I do not think I would add anything.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. HAWKES. The Senator from Ohio said that, so far as he was concerned, he felt there was no moral obligation to go further than $4,000,000,000, with the amendment.

Mr. TAFT. If the amendment is not adopted, $5,300,000,000.

Mr. HAWKES. What I want to ask is, Does the Senator feel there is any obligation to go further than $5,300,000,000, if the bill, without his amendment, is passed?

Mr. TAFT. I see no such moral obligation. I would not hestitate next year, if I thought the program ought not to continue, to refuse further advances. I think it would be difficult, I may say—and that will appear in my prepared statement, later—having run through the first 12 months, to stop off-hand. I mean there would be certain things in process, and I have no doubt they would involve certain additional expenses in the second year, even if it were decided to stop the program. But I see no moral obligation to continue the program any time Congress wishes to stop it.

Mr. HAWKES. I wish I could have the same feeling. I wonder if the senior Senator from Michigan entertains that feeling.

Mr. VANDENBERG. Mr. President, I do not think I care to interrupt the Senator from Ohio to discuss that question at the moment. I discussed it I think at great length in the course of my initial presentation, and I shall be glad to discuss it again later. But I do not care to interrupt the Senator from Ohio on the subject.

If I must say anything at all, I say, in a sentence or two, that I think we have made it perfectly plain in the bill that every Congress has a right to make its own decision on its own conscience in respect to what its obligation is under the bill. So far as the Senator from Michigan is concerned, he would feel that he confronted an obligation under the bill to continue, if the terms set up in the bill were fully met by the beneficiary countries, and if the requirements which we have set down as the price of the continuity of our aid were being constantly met. Under those circumstances I most certainly would consider that I owed as much to my partners in the enterprise, in behalf of freedom, as they owe to me.

Mr. TAFT. I may say, Mr. President, I wholly disagree with the Senator from Michigan. I think there is no such obligation. If I vote for the bill it will be with the understanding that there is no such obligation, that there is no contract with the recipient countries, that they are not our partners. We are simply undertaking to extend our aid to them to enable them to build up their own economy and get themselves on a self-supporting basis. They have agreed to help; yes—fine. That is to their own advantage. They have not agreed so far as I know to do anything to our advantage except it be also to their own advantage. So far as I am concerned, the bill is like any other authorization bill. It authorizes an expenditure for 4 years if the Congress in the second, the third, and the fourth year should decide that it wants to make the expenditure. If Congress does not want to make the expenditure, it is not obligated in any way to do so, morally or legally.

Mr. VANDENBERG. Mr. President, is not that what I said?

Mr. TAFT. I do not think I so understood the Senator from Michigan; no. The Senator seemed to think that if the program were making headway, if the foreign nations had cooperated, we would then be morally obligated to continue for 4 years. That is what I understood the Senator to say.

Mr. VANDENBERG. What the Senator from Michigan was undertaking to say——

Mr. TAFT. He thought he was morally bound.

Mr. VANDENBERG. I was speaking for myself in respect to my attitude totoward the bill. I thought I said plainly in the preface to my brief observation that the bill is written on the theory that every Congress is a free agent to act for itself under its determination of what has happened, and the extent of the progress which has been made as a result of the bilateral and multilateral contracts which have been made and the progress in the direction of the common joint goal toward which we are aiming. I should think the Senator from Ohio would join me among the very first, because of his noted integrity. If he found that at the end of a year those with whom we were cooperating in the enterprise had done everything that we contemplated and hoped for, and that the program was well under way toward the final goals toward which we aim, I should think he would be one of the first to say that it is not only a privilege but a golden opportunity to exercise that freedom of judgment which would recommend a continuation of the plan. If there is any obligation involved, it is the obligation which the individual legislator may feel in respect to a plan which is built upon mutual cooperation. Mutual cooperation, so far as the Senator from Michigan is concerned, is a two-way street.

Mr. TAFT. Mr. President, I do not know that the Senator and I disagree so widely. If the conditions a year from now should be the same as they are now, if the recipient nations had cooperated and the program had proceeded, I should probably vote at that time exactly as I shall vote today.

Mr. VANDENBERG. Certainly.

Mr. TAFT. My point is that I do not recognize any obligation to do so, that the circumstances a year from now are certain to be different in many respects; that there is no consideration given, so to speak, which morally binds us to continue for the second and third and fourth years. That is the statement of my position. Surely, conditions being the same next year, I should be in favor of doing the same thing next year, because the battle against communism is going to continue, I think. But I do not want to recognize now any obligation, and I do not think a mere authorization bill recognizes any such obligation. We can repeal the bill, or we can refuse to appropriate under the bill, whichever we wish.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. HAWKES. I desire to thank the Senator from Ohio, and then to leave with him the thought that if there is a difference of opinion within this Chamber, when we are debating the subject and have been considering it for weeks, why cannot that same difference of opinion be in the minds of the people who are going to receive the billions of dollars? Who has the last say on whether we have defaulted morally if we decide not to go ahead after the first year? Who is going to decide whether they and we have fulfilled their and our obligations?

Mr. TAFT. My experience with the Senate leads me to conclude that the Senate is going to decide next year as it wishes to decide. The question of whether it is an obligation or not, I suppose, is an interesting question for discussion; I think it should be discussed, but I believe the Senator from Michigan and I agree that so far as the action of the Senate next year is concerned, the Senate will do what it pleases and what it thinks is for the best interests of the United States at that time.

Mr. HAWKES. Mr. President, I understood the Senator from Michigan to say that if the recipient countries fulfilled their part of the bargain he would feel a moral obligation to go through with this program to the end. That is the point I want to bring out. There is going to be a terrible misunderstanding in this world if we do not go through with it, and if we cannot prove on the record that they have defaulted on their part of the agreement. That is the point I want to make.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I am very much interested in the statement of the Senator from Ohio. As I understand it, there is no moral obligation. As the Senator has said, the authorization can be considered annually, and each Congress or session of Congress can decide what it wants to do. What is the difference, then, between that position and authorizing and appropriating each year? What is the difference, if any, in the Senator's position, according to which we go through on a supposedly 4-year program with the understanding that each year the authorization has to be determined, the appropriation has to be determined? Why can we not do it 1 year at a time, and accomplish the same purpose?

Mr. TAFT. We could do it 1 year at a time. It would mean that we should have to pass an authorization bill every year instead of for all 4 years.

Mr. WHERRY. Why not make it 1 year?

Mr. TAFT. I recognize that the program will probably last for 2 or 3 or 4 years. I see no great objection to passing an authorization bill at this time to cover the program. I was discussing only the question of whether we had any moral obligation in connection with it.

Mr. President, as it is a program against Communist political aggression, we must work on the assumption of continued peace if we wish to justify the program.

I favor the extension of aid to European countries to the extent which appears to be absolutely necessary and effective to maintain a reasonable subsistence for the people of the 16 nations

and to enable them to increase their own production of goods on a self-supporting basis. If we proceed on that theory, does the pending bill conform to it, or does it commit us to something beyond the justification of reason?

In the first place, I believe that the Foreign Relations Committee, under the leadership of the distinguished Senator from Michigan, has done a most effective job in cutting down and improving the State Department plan. It removed the $17,000,000,000 figure from the bill, thus eliminating any implication of a commitment for that amount or for any amount during the last 3 of the 4 years during which aid is authorized if approved by the administration and by Congress. Furthermore, by cutting down the period from 15 months to 1 year, the commitment implied at this time is reduced by a billion and a half dollars. While the Appropriations Committee can properly reduce the amount for the time being, I am afraid there is a moral commitment implied up to the amount named, but I can see no moral commitment beyond that amount. I suppose that the momentum of the plan will necessarily carry it on into the second year at some additional expense. A magnificent job was done by the committee in destroying the State Department plan to have this money administered under its direction. I agree with the general feeling of Congress that the State Department has no consideration whatever for the American taxpayer or the American economy. The State Department seems to share the foreign view that this country is an inexhaustible reservoir of money and commodities. Sometimes I think it shares the view that we owe these European countries an annual present.

The committee has set up an independent administration with a man of Cabinet rank at the head. He will be on an equal basis with the Secretary of State and the Secretary of Commerce in presenting his policies to the President, who will have the final decision. As far as the form of organization can control the administration, this plan will do it. I hope that the President will appoint a man to act in accordance with the theory of that plan. He should be a hard-boiled administrator, examining every project and approving only those which promise definite benefits in Europe and not too serious an effect on our own supplies. But we in Congress cannot control the administration of this plan. We cannot refuse to confirm a man of standing, even though he has the State Department philosophy. We cannot prevent the President from overruling the administrator in favor of the Secretary of State. My interest in the amount of the gift arises largely because I think a limitation in the amount is the best way to assure a careful administration, covering only those projects which are clearly beneficial and forced to pass by the projects of doubtful value.

Much has been said about restraints. I have not found that restraints in bills are very effective. I do not believe our hold on the administration of this plan will be effective. That is why I think we need to give the administrator of the plan only sufficient money so that he may be forced to conduct the plan in an economical way rather than along the lines of what seems to me to be a global plan proposed by the State Department.

Mr. President, what exactly is the proposal which is before us? We are asked to authorize the sum of $5,300,000,000 for a period of 12 months. In addition to this we are asked to appropriate $670,000,000 to provide food and other essential commodities for the civilian population of Germany. This sum has always been heretofore included in estimates of the CEEC and of the Harriman committee. I am not sure, but I am somewhat inclined to think that the amount for Germany will be greater than $670,000,000. I know that in the Harriman report, both on page 9 and page 85, it is stated that the cost of the German occupation, outside of the direct cost of the necessary troops and personnel, will soon be running at the rate of $1,000,000,000 a year. However, I shall accept for the present the statement that the sum is $670,000,000. That is what the Army says it will cost for the two zones.

In addition to that financing, we are asked to advance $275,000,000 for Greece and Turkey, so that the total financing requested for western Europe is at least $6,245,000,000 for the next 12 months.

The proposal in my amendment is to reduce this amount by $1,300,000,000, so that the total financing out of United States funds will be approximately $5,000,000,000.

The figures submitted by the CEEC, as revised by the Harriman committee, and as revised by the State Department, are all based on the theory of an economic plan for western Europe. All the 16 countries in western Europe and western Germany were invited to submit a list of imports which they thought were necessary and exports which they expect to make. The exports were subtracted from the imports, and we were handed a bill for the difference. The figures have been somewhat revised by limiting the demands which the State Department thought excessive or impossible to fulfill. But the theory remains the same. We are to make up the difference. They decide what the export difference is and they ask us to make up the difference between their exports and imports.

I think this calculation is almost an impossible one to make. I do not believe that anyone can make that kind of a calculation. I do not think it can be made for a year, much less for 4 years.

Mr. Richard Bissell, who was the head of the staff of the Harriman committee, said:

> I think the only way the answer can be summed up is by saying that I am happy about this only in the limited sense that I think it is about as good a job of appraisal as could be done in the time. I was not happy about having to do it in that little time, and, although this is the kind of appraisal that has to be, probably, the basis for whatever decision this Government comes to, I hope this is not the basis upon which operating decisions and actual transfers are made.

It is an impossible task. There is no list of commodities which are going to each country, so far as I can discover, in all the volumes which have been presented to us. Mr. Bissell further said:

> But I think when you came to add it together the holes would be nearly as numerous and nearly as large 2 months from now, and you would be driven to the conclusion that, as to advance planning, there is just about so far you can go and no farther, and you do not really get beyond that until a particular government says that in a particular steel mill they want a particular item of equipment to produce goods to a certain specification that they are going to use to build ships or locomotives, and they can tell you what companies are going to buy it, and you have a man on the spot who will go around and ask some questions. We, of course, had nothing faintly approaching that.

I think the whole theory of the so-called balance of trade between exports and imports is an impossible calculation to make. Incidentally, on that theory the British seem to have provided themselves with approximately $2,000,000,000 out of the $6,000,000,000 to make up their supposed export deficiency. That means at the rate of 40,000,000 pounds a month. That is about the rate at which they are going now. They hope very much to make it less. Considering the fact that the purpose of the plan is to defeat communism and considering that Great Britain is producing at full supply, it seems to me that the $2,000,000,000 which is earmarked for England is certainly subject to more question than that which goes to the other countries.

If we do what is proposed, we have to decide how much food the French will eat, how many calories they will eat, how many calories the British will eat. That is something we should not have to do. If they want more wheat, they should come to us and we might well say, "All right, we have 200,000,000 bushels extra, and we will furnish you with the wheat." But we should not have to determine how much the British have to eat and how much food they ought to have. I think they should determine that. Yet this program requires that we determine the standard of living and the number of calories in each country in Europe that participates in the plan, if that is the basis on which we are to proceed.

Mr. ELLENDER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. ELLENDER. While the Senator is discussing the method used in determining the amount to be allocated to each country, I wonder if he would tell us how he came to select the figure $4,000,000,000 and how it will be distributed?

Mr. TAFT. I shall come to that a little later. I would rather handle that subject as I had prepared to do. No special sanctity attaches to the $4,000,000,000 figure, any more than to the $5,000,000,000 figure. I am only trying to show that the calculation was based on an unsound method.

Mr. ELLENDER. I desired to ascertain the method by which the distinguished Senator arrived at the figure $4,000,000,000.

Mr. TAFT. I will suggest the method by which I reached that figure before I conclude.

How can we guess what the production in these countries will be, or what their exports will be, dependent as those things are on their own government policies? It depends on whether they encourage production or whether they have a tax system which encourages increased production. It depends on whether they balance their budget. It depends on whether they stabilize their currency. It depends on all kinds of conditions which we cannot determine in advance.

It is completely a matter of guess, so far as I can see, when we try to make an economic plan for a country ahead of time. We could not do it for our own country during the war, although we tried to, and we were infinitely remote from the actual result in every case. Yet that is the basis for the calculation in this case, that is the basis for the entire sum which has been mentioned in all the different plans.

I have here a great deal of material as to what the exports are. Yet when we analyze it we find a tremendous category of "other exports" which are not described in any way.

Mr. McCloy, the President of the International Bank, testified, as appears on page 1004 of the hearings:

> The items covered by the reports of the technical committees established by the CEEC represent about 60 percent of all the imports. They alone have been subjected to a close scrutiny.

The other 40 percent have not been subjected to close scrutiny, so far as I can discover. When we examine the illustrative composition of imports of the various countries set out on pages 118 to 129 of the hearings, we find that after listing everything which could be considered important, "other exports" total anywhere from 30 to 50 percent of the totals. In short, the figures are a guess, and cannot be checked.

The only use for the so-called balance-of-payments theory I can think of is that it gives us a kind of an idea of the magnitude of the problem. We get some idea of what the size of this undertaking is. But so far as providing an exact figure of justification is concerned, I do not think anyone can find any such justification in the record.

The CEEC countries included capital reconstruction. The whole theory of including capital improvements is questioned by the Harriman committee. On page 6 of the report the committee says:

> It cannot be too strongly stated that the process of investment and capital formation imposes severe strain on the country undertaking it. Such a task introduces money income into the economy. * * * The process is highly inflationary. To the degree that capital goods are sent to Europe from the United States, it is true, the strain is transferred from European economies to our own. Nevertheless, the secondary effects of large capital programs should not be overlooked. Some of the European countries have attempted to exceed this rate. It seems unlikely that European nations can prudently afford to sustain capital formation on as large a scale as they have planned.

Senator La Follette said:

> The need especially for industrial items and capital equipment should be most carefully examined. Development projects that are not directly related to the building up of an export balance should not receive encouragement or a dime of assistance.

Some of those projects are eliminated, but so far as I can discover, there are still included a number of projects of that nature of capital development.

The same general idea comes from Roy Harrod, an economist of Oxford University, who wrote this:

> There is a fallacy which has taken root in Europe which may be very dangerous precisely because it has a strong appeal for Americans. This is that large-scale capital reconstruction is necessary for the revival of the economies. * * * We must seek to disillusion the Americans of the idea that Europe cannot survive unless she embarks upon a large-scale capital-modernization program. This is likely to waste American assistance and intensify all the specific difficulties which arise from the inflationary pressure throughout Europe. It will defer recovery in the vital matters of currency reform, the restoration of circulating capital, and the revival of productive effort.

As a matter of fact, when this theory was first tried, the calculation under it called for $29,000,000,000, in Paris. Then the CEEC recalculated the figures and got down to $22,000,000,000. Finally the State Department reduced the figure to approximately $17,000,000,000, plus something from the International Bank, to a figure somewhere in the neighborhood of $19,000,000,000. That shows the wide variation which can be reached by pursuing the balance-of-payment theory. I do not believe the theory is sound or should be considered as a proper basis for an amount we are to expend in Europe to assist the 16 countries. I think we should provide the amount which we think can actually help them from time to time as the projects are presented. I do not believe we should commit ourselves to give such guaranty of an export balance as this plan seems to involve.

Mr. President, we have had the same theory presented heretofore. It has been the theory of the present administration for quite a long time. The cost of the idea, if applied to all countries in the world, would amount to billions of dollars every year. If we do what is proposed for the western countries of Europe, we will have to do it for other countries, for China, for instance, and after we get through trying to raise the standard of living of all the people in the world, we will not have anything left in the United States. That is what I do not like in the approach; the fact that the whole plan is based on a global desire to raise the standard of living of all the people in the world according to a formula which some planner has figured out.

We had presented to us the proposals for the International Fund, and the British loan. I opposed both of them. I voted against them. I say today that the votes against those plans were justified. The plans were presented as global plans, to save the world. Again there was no justification actually in the figures which were presented.

I have before me the report of the committee on the Bretton Woods agreement. In it I find this statement:

> The Bretton Woods proposals are the foundation of the United Nations program for international cooperation. Although the fund and bank are the results of the joint efforts of the representatives of 44 United Nations, they put into effect the principles of stable and orderly exchange arrangements and sound international investment which have long been the policy of the United States. It would be a tragedy if this country, which has taken the lead in world organization for political and economic cooperation, were to reject these proposals.

And yet we put $2,750,000,000, mostly in gold, into the International Fund, and, so far as I know, it has not stabilized any currencies; it has not removed any exchange restrictions; it has not done any of the things we were promised it would do. It was a great plan, conceived on a global scale, to solve the problems of the world.

With respect to the International Bank, there were never quite the same objections to it, but, of course, as a practical matter, the Bank has been authorized for more than 2 years and it has made only a few minor loans. It has finally gotten into operation. I think it is much more justified. I do not think the entire assistance given by the Bank has amounted to the difference of $1,300,000,000 which I propose to strike from the authorization contained in the pending bill. Perhaps the Bank has loaned as much as one-half billion dollars or so.

Mr. President, I wish to refer to the views of the minority on the Bretton Woods proposal.

The minority said:

> These measures, added to the other policies endorsed by the Administration, embark the United States on a vast program of lending money abroad and guaranteeing private investments abroad, which program is wasteful of our assets, will create a false and inflated export trade leading to depression, and is more likely to create ill will than good will toward the United States.
>
> Purporting to solve the world's economic troubles, neither the fund nor the bank offers a solution for the present emergency difficulties of a single country during the transition period; nor can the fund accomplish any of its alleged purposes during the transition period.

Nor has it accomplished any of its alleged purposes. The French government the other day defied it, because it tried to prevent deflation of the franc. Because that deflation was not acceptable to the British government, the French defied the Fund, and now they are not entitled to withdraw any more money from that particular fund.

When we came to the British loan, it is rather interesting to recall that at the time of the Bretton Woods debate the Treasury told us that there was no need for a British loan. Mr. White appeared before our committee. I remember he testified that the idea that there was no solution to the world's difficulties in the British loan was a complete error. He said that Bretton Woods would solve everything, and a British

loan was not needed. Yet it was but a very short period after that when we proceeded to debate the British loan again, not as a specific aid to Britain, but as an attempt to solve the problems of the world by again setting up Great Britain as a solvent, going concern, so that sterling throughout the world would be on a par with dollars. That is what we were told when we were asked to vote $3,750,000,000 for the British loan.

The majority committee report said:

> The financial agreement appears to the committee to be a realistic and farsighted means for promoting the stated objectives of this Government to secure through international cooperation a world in which all countries live and work together in peace and prosperity.

It was going to solve all the problems of the world.

> The committee also believes that the agreement will go far in opening up the markets of the world to American exporters on fair and equal terms.

There has been no change in the terms on which our exporters do business. They do business if we give them the dollars to pay for the goods which they export. Otherwise practically all the discriminations remain.

> If the financial agreement is not approved, serious damage will be done to our program for international economic cooperation. The failure of our economic international policy cannot help but have grave consequences for the welfare and security of the American people.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DWORSHAK. I have been reading the report to which the Senator has just referred, namely, the report of the Banking and Currency Committee on the British loan bill. I invite the Senator's attention to page 13 of the report from which I read the following:

> The witnesses from the banking and business community emphasized the relationship of the financial agreement to the program to reestablish multilateral trade and the significance of this program to maintaining and expanding the American system of free enterprise in a peaceful world.

We have observed the British leaders expending almost $4,000,000,000, which they got from us under the British loan, to socialize their railroads, their banks, and their mines. I ask the Senator from Ohio if that is in accord with the assurances given the Congress 2 years ago insofar as expanding the American system of free enterprise in a peaceful world is concerned?

Mr. TAFT. I think in general the British loan has not accomplished any of the purposes which were alleged as a basis for it. It was to last for 3 years. It actually lasted a year and a half. It was used for all kinds of purposes. The money was spent throughout the world. Again it was a global plan. I refer to it only because it exactly fits in with the parallel I am trying to draw here. In that case I moved a substitute for the loan bill to give the British a billion and a quarter dollars, which according to our estimate would enable them to pay for the goods they had to buy in the United States for a period of from 2 to 3 years. If we had given them that, and if we had gradually advanced it for things they had to have, things which were necessary, I believe that the one and a quarter billion dollars would have been just as effective as the $3,750,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I do not want to enter into any controversy about the method in which the British loan was expended, but I am not willing to leave the statement unchallenged that this money was used to socialize the banks and railroads in England. As a matter of fact, none of it was used in taking over the Bank of England. What was done was to take up the stock owned by the private stockholders of the Bank of England and put down in its place an obligation of the British Government. There was no money involved there. The stockholders have the obligations of the government, just as they had the obligations of the bank.

The same thing is true insofar as taking over the railroads is concerned. I am not sure of the method in detail by which the mines were nationalized.

I think it is incorrect to say that this loan was used in any of those enterprises to take over, on the part of the British Government, the private ownership of the banks, the railroads, or the mines.

Mr. TAFT. I think the Senator from Kentucky is technically correct. I believe, however, that when we simply hand a nation $3,750,000,000, as we did to the British, it does relieve their financial problems. They use it for the things for which they want to use it, and it probably makes it easier for the Government to go ahead with plans with which it wanted to go ahead, housing plans, and other plans with which perhaps it should not have gone ahead. I think it is almost impossible to separate the effect.

I thought then, as I do now, that our money ought to be doled out, if you please, for particular things which we see they actually need, which we see will actually relieve distress, which we see will actually enable them to go to work and produce more, bring about greater employment, raise their own standard of living, and particularly increase their exports. I think that is the way the British loan should have been handled, and that is the way I think this fund ought to be handled.

Mr. BARKLEY. Undoubtedly the same thing will, in a measure, apply to a loan obtained by a government as one obtained by a private individual. It will relieve financial pressure in certain directions which will make it easier for them to embark in various other directions. But my specific reason for asking the Senator to yield was to say that the loan to Great Britain was not used to nationalize any of the three enterprises to which reference was made, because I do not think the British Government used money in taking them over. They simply exchanged the types of stock that the owners had held originally.

Mr. TAFT. It was used for two things. In the first place it was used to increase somewhat the standard of living of the British people, which otherwise could not have been increased. Whether that was necessary or not, I do not know. Most of it was wasted or used in an attempt to carry out the real purposes of the loan. That was an attempt to put sterling on a comparable basis with dollars. It simply disappeared for 3 or 4 months while they tried to maintain that policy. We had some grand economic theory behind the plan that we were trying to carry out.

My only point is that I think the method I proposed then is the general theory which ought to be proposed now. I think we ought to give them money for specific projects. I do not believe that they ought to say, "Here is the balance, and here is the bill. You pay the bill." That is the analogy which I think we find in dealing with this subject as compared with the British loan.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MALONE. I may say to my distinguished colleague from Ohio that it is well known what the pound is worth on the exchanges of New York and Europe. It is worth about $2.25 or $2.50, whereas officially it is held to an artificial value of $4.03. That is in their favor financially so long as they are importing goods. When they get to the point where they want more exports than imports, they will drop the value of the pound. One can write the value they will fix himself if he knows when that is going to take place.

There has just come to my attention a trade agreement between Italy and Poland. It is an agreement effective for 1 year, and automatically renewable unless notice is given. It calls for trade between the two countries to the extent of about $15,000,000 each way. Included in the agreement is the most-favored-nation clause. The proposed shipments from Italy to Poland include foodstuffs, such as fruits and oil, chemicals, including synthetic dyes, tools, and machinery, marine motors, machine tools, mining machinery, ball bearings, shipyard equipment, and motor vehicles.

One may argue that these commodities may not be made out of the actual steel received from us, but they are manufactured from steel which is made available because of the steel furnished Europe by our country.

It is silly to argue that we should give $3,750,000,000 to a nation for the purpose of establishing social security machinery and reducing the working hours of their own workers below the working hours of our own people, and for the purpose of nationalizing their industries, as Sir Stafford Cripps told me they intended to do. Within 5 minutes after he had emphasized the need of the Marshall plan money, he stated that they intended to nationalize the steel industry. To me it is silly to say that none of the Marshall plan money finds its way into such activities, or releases the necessary money for such activities.

It is silly to say that, when we furnish the raw steel and other materials to the 16 Marshall-plan countries, and such materials are processed and the manufactured goods sent to Russia and her

satellite nations, that such raw materials did not make available the necessary raw materials for the purpose even if they were not the identical materials.

Mr. TAFT. I thank the Senator. I think I have tried to cover the subject before.

Mr. President, it seems to me that $4,000,000,000 is enough, for various reasons. In the first place, it is just about what we have been putting up during the past 2 years. I do not mind continuing to assist Europe at about the rate we have been doing. We have been straining ourselves to the limit. We have shipped everything we possibly could ship, and we have actually extended aid, according to the basic document, approximately in the sum of $5,000,000,000 a year during those 2 years. If this $4,000,000,000 is included, plus the German figure, which always should be included, and the additional shipments for military purposes, our shipments will be about $5,000,000,000 if this amendment is adopted.

The program contemplates an increase of about one and one-half billion in exports to Europe. I think we have been more generous than any other country has ever been. I think we have strained ourselves to the limit. We have imposed higher prices and shortages on the people of the United States. I am willing to continue at that rate, but I do not believe that we should increase it. The result of the figure of $5,300,000,000, plus the additional amounts, is to increase the amount of aid to Europe by $1,300,000,000, so far as I can calculate from the very confused figures, but particularly from the report of the Nourse committee, which gives a tabulation of the aid already extended, and from page 30 of the basic documents on the European recovery program, printed for the Foreign Relations Committee. We have been going at the rate of approximately $5,000,000,000, and that would be the effect if this figure were made $4,000,000,000.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Did I correctly understand the able Senator from Ohio to say, in substance, that a continuation of the same amount which we have expended in the past on the European program would be nothing more nor less than a relief program?

Mr. TAFT. No; I do not think it has anything to do with the relief program. During the past 2 years we have been shipping to Europe everything. We have been shipping steel, and every other conceivable thing which is made in the United States, and we shall continue to do so if we have $5,000,000,000 for that purpose.

Mr. LUCAS. I understand that we have been shipping a great many things, but we have been shipping many products through private enterprise. Is it not a fact that the great bulk of the money expended in Europe by the Government has been expended over the past 3 or 4 years, especially since the war, primarily for relief purposes?

Mr. TAFT. The $3,750,000,000 for Britain was not spent primarily for relief purposes. It was spent for anything the British wanted to buy. It was spent by them in all parts of the world. It was spent partly for food, but it was more than enough to make up their entire deficiency of imports.

Mr. LUCAS. I did not understand that the able Senator was including the loan made to Britain. If he is including all loans of that type, the story is quite different.

Mr. TAFT. I think there is one thing in the committee report which gives an entirely erroneous impression. On page 47 are set out the so-called relief-type commodities and services, amounting to $4,400,000,000, and the recovery type, amounting to $2,300,000,000; but the committee included in the relief-type items food, fuel, fertilizer, cotton, and wool fibers. Cotton is not a relief item. Cotton is for the manufacture of cotton goods. It is a raw material. It is one of the things which we regard as necessary for recovery, not for relief. The same is true of wool fibers.

The coal which we are shipping is not relief coal. It is not to keep people warm. It is almost entirely coal which goes into the mills, to be used in the manufacture of steel. That is not relief. So as a matter of fact the relief items in this program are very much smaller than the recovery type items. There is no more reason why we could not cut the relief items than there is reason why we should not cut the recovery items. After all, we are not providing any tremendous proportion of the food which they eat, and it is just as possible to shave that item as it is to shave the other items. So I do not believe that the charge that this means a relief program instead of a recovery program is in any way justified.

On the question of exports from this country, this program, as I have pointed out, involves an increase of $1,500,000,000 a year in exports to Europe. It is true that the Department of Commerce estimates that there is a decrease of $2,200,000,000 in exports to the rest of the world, which, incidentally, largely exceed the exports to Europe. I do not know on what basis that result is reached. It is said that other countries are running out of dollars; but I am not so sure that they are running out of dollars. There has been some decrease in exports up to this time. Whether that will continue is hard to say. In any event, unless we get some decrease, we certainly are going to have the inflation again which we had under the tremendous export deficit of the past year. It is true that the figure is contemplated to be a little less—ten and a half billion net. But ten and a half billion dollars worth of goods taken out of this country, with nothing put back, creates a dangerous inflationary condition under any circumstances.

I do not believe that we ought to increase the amount of exports to Europe if we are going to maintain the economy of this country; and if we do not want to increase the amount of exports to Europe, we must cut the program about $1,500,000,000, which gets back again to the figure of $4,000,000,000.

Mr. President, the suggested total of $6,000,000,000 is not supported by specific programs or completely by countries which need aid. There is a long list of commodities in the committee report on pages 24 and 35, but surely no one can say that those commodities are all essential; no one can say that they must be shipped; no one can say that Europe must have $156,000,000 worth of coffee next year at our expense, or largely at our expense.

Grains and oil cake, constituting feed for animals, are represented by a figure of approximately $750,000,000. We are not going to have sufficient feed in this country to produce enough meat to meet the requirements of the American people. True, we are not exporting meat. But under this plan we are providing funds for feed for all the European cattle. If the European countries do not have quite so much feed for cattle, they will not have quite so much meat. But I do not see that there is any evidence that they cannot take a reduction in the amount of their meat, just as we are taking a reduction in the amount of our meat.

In this list there are included all the ordinary foods on which people live. In addition, there is a list of other foods. For instance, the tobacco bill which we are asked to pay under this measure is $293,000,000. Certainly it cannot be correctly stated that we must supply $293,000,000 worth of tobacco, and that the amount cannot be cut. Of course, I do not wish to interfere with the tobacco industry in the State of the distinguished Senator from Kentucky [Mr. BARKLEY], but, obviously, some reduction could be made in the item of $293,000,000 for tobacco.

For coal we are asked to provide $389,000,000. Cannot we hope that these European countries will increase their coal production sufficiently to enable some cut to be made in that item?

For timber we are asked to provide $333,000,000, to come out of United States funds. Mr. President, we do not have too much timber in this country. We need it for the building of our own homes. Can it be said that that item cannot be cut? This program cannot possibly be taken as an untouchable program essential for the success of the entire procedure. Of course these items can be cut; of course the total amount must be cut; of course the amount of the commodities which we shall provide can be cut.

Finally, Mr. President, we get down to "other imports"—just other imports, everything having been calculated. The amount set aside for that is $4,228,000,000, in addition to all the more important items which are listed above that.

Mr. President, when we consider all these items and consider the countries which are to receive the aid, I do not think anyone can correctly say there is anything sacred about the proposed total of $5,300,000,000.

Furthermore, Mr. President, if the cut which I propose is made, there are other ways in which these countries can do something in this connection. There are available assets, in large volume, which can be used, if necessary. Certainly some of them can be used to make up for a cut of $1,300,000,000 in the amount of money that is to be asked of

the American taxpayers. The International Fund to which I have referred can be used. In 1 year, $558,000,000 can be drawn from the International Fund. It is supposed to be drawn on for exchange purposes, but everything is in one pot. We have not considered using that fund in this connection. So far as I can ascertain, we have not given credit for the 558,000,000 of American dollars which can be drawn out of that fund by the 16 countries here involved, under the provisions of the International Fund agreement.

The private citizens of these 17 countries hold $4,300,000,000 in free assets and $1,300,000,000 in blocked assets certified for release. So, the citizens of these countries have a total of $5,600,000,000. It may be said that we must not take it away from them. I agree that in the long run I do not want to take it away, either. But somehow, it seems to me, these other countries could dig up the other $1,300,000,000 which I think the American taxpayers should save on this program.

The gold and short-term dollar balances of the governments included in this program amount approximately to $7,000,000,000, as is indicated on page 65 of the pamphlet on foreign assets, which was printed for the Senate Finance Committee last year.

If we add all the assets of foreigners and foreign governments in the total number of participating countries, we find that the total gold and United States assets of these countries and their nationals, including long-term assets, which are difficult to sell, amount to $13,662,000,000. That includes the items I have already mentioned as belonging to the governments and the private citizens of those countries. The total amount owned by those governments and their citizens is approximately $13,000,000,000. I agree that some of that belongs to countries that do not need any aid. No doubt some of that money is not distributed where it should be in order to do the most good. Of course, they should not be absolutely deprived of working capital; but obviously out of the total of $13,000,000,000 they can dig up $1,300,000,000 if they have to do it. It is not as though there were no source of funds for these purposes other than the funds of the taxpayers of the United States.

Mr. President, one thing that has always interested me is that at the beginning of the war the British put up $900,000,000 of marketable securities with our RFC as collateral for a loan. The interest and dividends on those securities have been used to pay off much of the loan; but the securities are still there. The British Government thus has $900,000,000 of securities deposited with the RFC, against which its loan today is only $175,000,000. I am not sure about the effect of the last RFC legislation; but so far as a loan on a sound basis is concerned, the British could borrow on that collateral $700,000,000. However, they do not want to borrow. Why? Because if they do, they have to pay it back, whereas under this plan they do not have to pay back what they receive. That is the only reason I can see why the British do not want to borrow from the RFC on those assets, which are perfectly sound. A loan based on them would be a sound loan, but they would pay back to us the money thus advanced.

There are other means by which these governments may make up for the reduction in the total amount which I propose, and under which circumstances the amount of such reduction would not have to be paid by the American taxpayers. I have not mentioned the gold in dollars held throughout the world, apparently largely in hiding, by people who are hoarding—for instance, in France and other countries. That is said to amount to many billions of dollars, but I do not know that there is any practical means of getting at those particular assets.

True, Mr. President, it will involve some sacrifice for these countries to use up any of their own assets, but certainly they provide a tremendous fund from which some temporary reduction in American charity could be made.

Mr. President, I believe this reduction should be made, for a number of reasons: First, because the Congress ought to economize on all programs, foreign and domestic. When we propose to cut all the appropriation bills for American projects, when the Senate has voted to reduce the total United States budget by $2,500,000,000, why should a foreign loan be peculiarly sacred? There is nothing so far as I can see, to demonstrate that there should not be a reduction in this program, as well as in other programs; and on general principles of economy I think there should be some reduction.

In the second place, Mr. President, I think the European countries should be impressed with the conviction that the United States is not too liberal. I do not think they should be encouraged to rely upon us; and I think we should show that we are not simply going to take their calculations, in effect, and carry them out except to the extent that we do not actually have the goods. I think in the long run it will force their governments into a more sensible and wise policy and greater cooperation, if they feel that they have to prove their case in every instance, and that the American taxpayer is not quite the complete give-away artist that he is pictured to them by some persons who go abroad.

In the third place, Mr. President, I do not like to approve a figure which is derived, so far as I can see, simply from this balance-of-payments theory.

Furthermore, I think it is very desirable that the Administrator be made to feel that he does not have an unlimited fund at his disposal. I think he should be made to feel that he can grant money only for projects which are clearly effective and necessary, and that when a project is dubious he should feel, "If it is dubious, I had better not undertake it." I think he himself ought to be restrained by a sense of economy forced upon him by the amount of the fund. As I said, we cannot control his appointment. We do not know who he will be. I think this is the only effective means of securing an economical and piece-by-piece administration as contrasted with a global loan to one country in the manner of the British loan.

Mr. President, the argument that we must have the sum provided by this bill or nothing, of course, is unsound. The distinguished Senator from Michigan in his statement said that that was not true, and yet there is a good deal of argument that if the whole amount is not provided, the program will fail. Personally, I think that is nonsense. I think that everything that is done, if it is well chosen, will help the economic condition of Europe just that much. If too much is done, it may actually interfere with the successful development of Europe, as is the case if it is not done well. It is difficult to insist upon the measures that the foreign governments must take, for the steps which should be taken are not always clear. It cannot be said merely that a certain thing must be done; perhaps it is not the right thing to do.

I believe very strongly that we should go as far as we can, and that as far as we go we shall do good. I see no reason to think we should confine ourselves to relief. I do not believe that $4,000,000,000—it is really a $5,000,000,000 program—will in any way confine us to relief. I see no reason why a relief item should not be cut as much as recovery items.

Mr. President, I feel very strongly that this is a business proposition. I think we ought to aid Europe because I believe it is an effective weapon against communism. But I feel that we ought to make it clear, and it can be made clear by adopting the amendment, that we want the administration conducted on a strictly business basis.

This is not an emotional program; it is not a program to be built up by great propaganda; it is not a solution of all the world's difficulties. It is simply a business proposition. I believe we should so hem it about with reasonable restrictions, and we should so limit the amount as to force the adoption of a policy under which only those programs and particular proposals which will help the countries of Europe to help themselves will be undertaken.

Mr. MORSE. Mr. President, I am only going to speak for a very few minutes on the Marshall plan bill that is before the Senate. I thought my views were pretty well known on the plan. I have been speaking for some weeks now in various parts of the country in support of the Marshall plan. Nevertheless, I have received a considerable amount of mail in recent days from constituents at home, wanting to know when I was going to put myself on record in the Senate of the United States on the plan. Apparently they feel I must put myself on record in the Senate in order to be of record in support of the plan. I can do it very quickly.

I would point out to the Senate that it was a week ago Monday that in my opinion one of the great speeches of statesmanship of the last decade in the history of the United States was made in this body. That speech was made by the distinguished senior Senator from Michigan [Mr. VANDENBERG] in support of the bill now pending before the Sen-

ate. Following that speech there has been much discussion in the Senate but in my personal opinion the premises laid down by the distinguished senior Senator from Michigan in that great speech have survived all the debate and remain unanswered. They stand out just as crystal clear as they did on that Monday when at the conclusion of the speech, Members of the Senate came to their feet in appreciation of the great example of statesmanship which it was our privilege to witness that hour.

Throughout the speech I think the Senator from Michigan laid down a major premise that no one has been able successfully to rebut. As he stated, it is in the interest of America's self-interest to adopt the plan as it came to us from the unanimous vote of the Committee on Foreign Relations. He certainly made clear that as chairman of that committee he offered it on no other basis than that it is in our national self-interest to adopt it both from the standpoint of our national security and our domestic economic interests. I consider it a great honor and a great privilege, Mr. President, to say that I want in a very humble way to associate myself with the great arguments that he advanced in what I think has proved to be an unanswerable speech. I wish to emphasize that it is in our national self-interest from the standpoint of national security. That argument alone could be the controlling one; that is enough to support a vote for the plan. That argument alone, Mr. President, in my opinion deserves an overwhelming vote in favor of the plan as I am sure it is to receive when we come to vote. The plan is clearly in our national self-interest from the standpoint of national security. But I want to say, Mr. President, it is in our national self-interest not only from the standpoint of national security, as was argued by the Senator from Michigan, but also from the standpoint of our selfish economic interests. It is interesting to note that in recent weeks, as the great business forces of America come to study the plan, they, too, I think, by an overwhelming vote as far as the American businessmen are concerned, are beginning to appreciate that it is in the interest of our economy to adopt the plan at this time. Some days ago I put in the RECORD a letter of February 14, issued by Kiplinger, pointing out the economic outlines of the plan, making perfectly clear, I think, the economic advantages of the plan to American businessmen, and raising certain questions in regard to the plan.

Without reading that letter again, Mr. President, I ask consent to have it printed in the RECORD at this point as part of my remarks, because I think it very well supplements the speech made by the Senator from Michigan a week ago Monday on the economic advantages to America which will result from the plan.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE KIPLINGER WASHINGTON AGENCY,
Washington, February 14, 1948.

DEAR SIR: This letter is about the Marshall plan, and it is by request; for many readers write in to say that they do not understand the plan. Some say they are confused by piecemeal explanations, including ours. Others say they are fed up with propaganda on both sides of the issue, with argument instead of information. So we shall try to shed some light. And we don't want to argue about it—just want to tell you about it.

Current business uncertainties add importance to the whole plan, for it will affect all business—big and little—directly or indirectly.

Marshall plan in simple language is this: Our Government buys stuff, mostly in the United States, from our own industries here and pays for it here. Then our Government allocates the stuff among needy countries, and sends it. Buys it here, doles it out there. About half as a gift, half as a loan.

It's goods, not money. Money will not be given or lent to Europe except incidentally and outside the Marshall plan. It's goods we send.

Strings and conditions attached, broad aims, purposes, motives—we'll talk of them later. Focus now on the more tangible facts.

First, the Marshall plan is going to be—is going to pass. The chances are 10 to 1 that it will be in operation by this midsummer. It's a fact to face, beyond the controversy over should or shouldn't.

Likely to continue 5½ to 6 years—year longer than advertised, until about 1954. (Most authorities admit this time in private talk.)

Tune of twenty billions total, minimum over the full 5½ to 6 years. The advertised sum is seventeen to eighteen billions, but it probably will run higher.

Remember, too, the imports from other countries, thirty billions, that much shipped into United States during the life of the plan. These imports will yield money in this country, which then will be spent for exports—more exports, in addition to Marshall plan. These will be supervised and controlled by our Government, to coordinate them with the Marshall plan.

Thus the Marshall plan is big business, fifty billions of exports, the twenty to be subsidized by Government, the thirty more to come in natural trade.

So a big Government purchasing and distributing agency will be created.

Run like a business, hundreds of employees, whole office building. Somewhat like the wartime WPB, but actually doing the buying directly. Experts on buying of this and that, with industry committees to advise. May buy from you, or through you, or from businesses in your community. Most goods for export will either go through it or be controlled by it. It will be one of the biggest customers of business in whole country.

Who pays? You pay: (1) In taxes, for it will be pay as you go; (2) in doing without certain things for a while, prolonging scarcities; (3) in paying higher prices for some things than without Marshall plan.

Scarcities and pinches here will not be greater than in the past, but some of them will stretch out longer than was heretofore assumed.

How big a drain in terms of goods, in terms of going without?

Point 1: Marshall plan will take 5 percent of our total production, which is much less than many think. But on certain scarce commodities which are badly needed both here and abroad, the pinch will be worse.

Point 2: The plan will not increase exports above the past year. It will merely sustain them, keep them from dropping off too drastically. Even at that, the outflow of exports will be less than in the past year.

Point 3: Our Government will not let the exports rob our own economy of things we must have. Will try to balance the foreign and domestic needs. Will consider this country first, Europe second. Won't break us down.

Food is most important. This year is the peak year in demand. Next year high, but not as high as this year. Tapering off thereafter. That is, if weather—and thus far the world weather seems favorable.

Many food prices are headed for decline in the United States this year, but the drop will not be as much as it would be without Marshall plan. No over-all food shortage here, no hunger, no acute food sacrifice.

Greatest strain, farm machinery, needed both here and in Europe. Export of farm machinery will help us to get food production going there so that we don't have to go on exporting our free food to Europe forever. But our farmers will have to count on relative insufficiency of machinery for several years—longer than they thought—due to the Marshall plan. Partial antidote will be the allocation of more steel to farm machines.

Seeds: Big exports to Europe this year, and probably next year.

Fertilizer: Great quantity must go to step up food output there, subtracted from this country. But most of it will come from Army plants.

Tobacco: Much tobacco will be sent—will prevent a glut here.

Cotton: Demands from abroad are tremendous and also excessive. Our Government will scale them down, but still it will send a lot of cotton.

Steel, scarce here, also desperately needed in all of Europe. Will send as much as we can. Steel short here for another year or two. Not worse than at present, perhaps some better, but not much better.

Iron ore needs to be conserved here, good ore is running low. But we'll send a good deal abroad so Europe can use it to get going. Some European mines were knocked out by war, by destruction of machinery.

Mining machinery: Great quantities are needed in next 3 years.

Steel, electrical, and lumber equipment: Much of it will be sent. But not so many big electric generators, for they are needed in the United States.

Freight cars: We will skin down the European demands for them. Need them too badly here. Europe will have to go without, or make them.

Heavy trucks: More of them as a substitute for the freight cars.

Passenger autos: Not many, proportionately; they're needed here. But steel exports will retard production here, make many wait longer.

Coal: Big call for our coal, but generally we can spare plenty.

Oil: Exports will be big, but more than matched by the imports.

Timber: Quantities are needed abroad, especially railroad ties. We shall pare demands, and rely more on sending the sawmill machinery.

Hides and leather exports will be big, will keep prices high here. The high prices of shoes will be aggravated by the Marshall plan.

Export figures on each commodity this year are not yet ready.

The governmental machinery is up to Congress, but our opinion is that there will be an over-all board of directors of public members, with the State Department supreme on the general foreign policy in the plan.

But one man to boss the administration, a practical sort of man, possibly a big-business man, "the executive type to get things done."

Committee from each major industry will advise on procedures, so as to fit the export purchases to domestic needs and requirements.

The administration probably will be good, tight, businesslike.

Name: European recovery program, ERP, the Marshall plan. Agency that runs it may be named European Recovery Administration, ERA.

This agency will supervise and check up on use of goods abroad. It will have offices in each country to work with the governments there. These foreign offices will administer the revolving funds of the plan. Foreign governments will sell some of the stuff, and put the money back into the funds. Our Government will hold the purse strings over these. There will be continuing check-up, accounting, riding herd on requests.

Foreign industries will get such things as machinery on credit. They will owe their governments for the machinery, eventually will pay, and their governments will eventually repay to us, to our Government.

How much gift, how much loan? Probably in the end about 50–50. This is a conservative estimate. Some think in time we can get back 60 percent. Will take years, will depend largely on our future foreign trade policy, whether we further moderate our tariffs to let in more foreign goods.

What's the tax cost? It will take about 10 cents out of every dollar that you pay in taxes to cover cost of Marshall plan next 5 or 6 years. If half is eventually repaid, then net cost is 5 cents of every tax dollar.

Some sort of customs union of western Europe will be worked out. It is one of the United States conditions and the United States will plug hard for it.

Also we had the Truman doctrine to hold Russia where she is, even by force. Marshall plan is the economic phase of Truman doctrine.

Motives of our Government: Humanitarian on which there's agreement.

Economic to relieve us of relief, to rebuild western Europe, to restore it to being our best customer, which it has always been.

Military to keep Russia contained, away from western Europe, for our Government thinks that if Russia expands there, it means sure war. (The way in which Russia expands is to get native Communists in control, and then to see to it that these nations play the Russian game.)

Why not use the UN? Because the UN has no money and no goods. Only the United States in all the world has them. Besides, we don't trust UN to administer such a complex plan on such a scale, with our substance.

Who's against it? Many skeptics who think we are suckers again, or who honestly fear that the export drain will break down our economy. Also the Communists, fellow travelers, and their stooge organizations.

The public is probably lukewarm, finds the plan hard to judge. Our Government has done a good job of pleading, but a poor job of explaining.

Who's for it? And why be so sure it will be voted by Congress?

Most Democrats are for it, and so are over half the Republicans.

Most labor is for it, it's liberal, and it will make jobs.

Humanitarian elements are for it, and they wield a lot of power.

Business is divided, but most big business leaders are for it. Business generally is not averse to having the orders that flow from it. It's costly, but it does help to keep business from declining too much.

Balanced budgets, stabilized currencies, these are also musts.

Western Europe only, 16 nations, not those in Russian orbit. Some war neutrals to be aided, because rest of Europe needs their stuff.

Latin America will benefit. We shall buy stuff there for Europe. Then the Latin American countries will have the dollars to spend here. These are the "offshore dollars," over which there's some controversy.

Relief against reconstruction: Relief means mainly food and fuel, and relief alone would never end, so the answer lies in reconstruction.

Self-help is the keynote of conditions. Europe must help self. Can in due course, if furnished the tools, the equipment, to work it out. Also must have more economic integration among the industries of Europe. We don't have enough to supply Europe with everything that's wanted. The requests have already been trimmed from thirty billions to under twenty. The recipient nations will be compelled to adjust, to help themselves.

Harriman committee report gives a solid analysis of the plan. The committee consists of 19 hard-boiled representatives of the public. They were diverse and skeptical, but they studied and finally concluded that it could and should be done, with certain conditions, modifications.

You can get official copy by writing the Superintendent of Documents, Washington 25, D. C., asking for Harriman Committee Report, send 60 cents. It points out many merits, many flaws, and ways to correct the flaws.

What's the origin? Who thought it up? Mainly the State Department, a year ago, after Big Four busted up, after the show-up of Russian aims to let western Europe bog down economically, then let Russia take over. We reported the plan in embryo last March 1947. It was denied then, but Marshall spilled it in June. The European nations got busy on it, collected thirty billions of wants, and were told to trim, which they did. Meanwhile Russia got nastier, and pushed the cold war on many fronts.

And if a recession develops, as some think, then it would become especially important as a sustainer of business activity in this country. Not all businessmen agree that this is a proper motive for the policy, but many do, and they speak of it as distinctly secondary, incidental.

It's a tremendous gamble, and even the proponents admit this. Honesty requires that we all face the possibility that it might fail.

But if we do not do it, then it is likely that western Europe will be invaded by communism by Russia, and very few doubt this end.

In that case, war. Or if war anyway, then we will be stronger with a rebuilt healthy western Europe on our side as fighting allies.

If no Marshall plan, then our military would need billions more, for we would then face threat of whole Europe under Russian domination. So we are gambling with billions on hope of peace instead of war.

Yours very truly,
THE KIPLINGER WASHINGTON AGENCY,
W. M. KIPLINGER.

Mr. MORSE. The letter contains within its few pages rather adequate evidence in my opinion as to why the plan is in the economic interest of American businessmen. I may say, by way of rebuttal to certain arguments that have been heard during the debate, that one has but to read the bill, starting on page 18, line 21 and the lines following over to the bottom of page 19. Let me read those lines to show some of the economic advantages to American business provided by this plan:

(3) by making under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this act, which guaranties shall terminate not later than 14 years from the date of enactment of this act: *Provided*, That—

(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

(ii) the total liabilities assumed under such guaranties shall not exceed 5 percent of the total funds appropriated for the purposes of this act and any liabilities accruing under such guaranties shall be defrayed within the limits of funds so appropriated; and

(iii) as used in this paragraph, the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

I want to speak very briefly so I shall not discuss at length the implications of those lines. They speak for themselves. I think the opponents of the bill should reread that section of the bill, which certainly shows the extent to which the committee has gone in seeking to protect the interests of private business in America which will become involved in the plan as far as foreign investments are concerned. Their money is not going to go down a rat hole insofar as the interests of the American businessmen are concerned. In fact, I think a line of argument might be advanced if one were prone to do it, criticizing the bill because of this section, in the sense that it gives to American businessmen participating in a free-enterprise system perhaps too much protection at the expense of the American taxpayer.

But I do not raise that question because I think the international economic situation in its relation to our national security bears a remarkable resemblance to some of the economic problems which confronted us before and during the war. Then we believed it only right and proper that we should give to American businessmen reasonable protection in the case of defense and war contracts by assuring them that they would not lose their costs and that they could make at least a reasonable profit if they would cooperate in seeing to it that the vital goods needed in the prosecution of the war were manufactured and made available to the country. I think that principle was sound, and I think it likewise is sound in this instance, so as to assure reasonable protection being given to private capital in this country if it cooperates in an attempt to make the Marshall plan a success as far as foreign investments are concerned.

I would amplify a bit another argument made by the Senator from Michigan in his great speech. He commented upon it, but I think it needs to be reiterated, namely, the matter of moral obligation insofar as our obligations to the peace are concerned.

I think there is a tendency on the part of the American people in these days to overlook the fact that it was our war as well as the war of Great Britain and the other allies. I think it is important for the American people to reflect anew on the fact that, except for the costly loss of life which we suffered, which, of course, cannot be evaluated in a material sense at all, the major burden of the war was borne by our allies insofar as destruction was concerned. We have no bombed cities. We have no vast areas of

devastation. We suffered no such losses as were suffered in England, France, and other parts of war-torn Europe. We cannot, Mr. President, in the eyes of history, evade those moral obligations—because they are very real. It seems to me it will not reflect well on the pages of history for us at this hour to take an overemphasized mercenary position, a dollar position, in relation to our moral obligations resulting from our participation in the war. Irrespective of the importance of this plan to the establishment of our first line of economic defense in Europe, even if I did not believe it essential for that purpose, Mr. President, I should still argue for the plan on the basis that I think we should pass it in carrying out the moral obligations which we incurred in a war which was also ours. The American people cannot look on that war as a football game, and, now that it is over, sit around in America in what, after all, is an environment of reasonable material comfort, and talk about the plays of the war. There are moral obligations still to be paid by this country in connection with that war. There are many people who do not like to hear such language spoken these days. But I say it is essential to call attention to those obligations in view of the many comments made in the course of the debate in regard to Great Britain and other war-torn countries. I have no hesitancy in saying, and I make no apologies for saying, that we have not yet fulfilled our moral obligations to Great Britain and the other allies that helped us fight the war.

I also suggest that closely related to our moral obligations in connection with the war there are some great spiritual values of democracy which I think are being overlooked these days. I know that to talk about spiritual values makes it an intangible argument and I know that there is danger that an argument such as the one I am now making may be charged as being one which is placed on an emotional level. I offer it not as such; I offer it as an argument which supports a great truth, Mr. President, namely, that when we take away or fail to live up to the spiritual basis of democracy we lose democracy itself. When we look upon democracy only from the standpoint of materialism and selfish economic values we have lost sight of the spirit of democracy. We can start with the spiritual values of the Declaration of Independence, we can trace them through the constitutional debates, the Constitution itself; we can follow them through the preamble of the United Nations Charter and the other sections of that charter, in the preparation of which a statesman of our day, the senior Senator from Michigan, played such a great part. What do we find? We find an unbroken thread of great spiritual values as the basis for the ideals of American democracy.

Our form of government as contrasted with totalitarian systems of government, Mr. President, rests largely on the spiritual principle that we recognize the individual as the creature of a divine power; we recognize that, after all, Government should exist to serve the interests and the welfare of the individual. The primary purpose of a democracy such as ours is to promote the dignity and the welfare of the individual, to carry out the principle that the State truly is his servant and not his master. It is a spiritual value which represents a great universal religious truth the sacredness of the human individual as a child of God. This spiritual truth has no relationship to creed or dogma, but rather, Mr. President, it rests on the fact that, after all, we are our brother's keeper. After all, basic in democracy is that great spiritual truth that we should do unto others as we would have them do unto us. I say that is a universal spiritual value which, through the ages, has crossed all religious lines and is not limited to Christianity itself. I say that in this hour the American people can well afford to consider, at least to some extent, our international obligations from the standpoint of the question, Are we carrying out an international policy which does justice to the spiritual values that form the basis of democracy itself?

I say, most kindly, Mr. President, and I also say it most sincerely, that I think there are great forces at play in America today which are so motivated by a materialism, so driven by a money conception, so overpowered by selfish greed, that they are losing sight of the spiritual idealism of democracy itself. We had better bring the spiritual idealism of democracy into play in molding our international policies, or I think we shall lose our democracy itself.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. COOPER. I hesitate to interrupt the Senator's speech, but I cannot resist saying that his speech is the first that I have heard in a very long time that gives emphasis to the personal and spiritual values of democracy. I think the distinguished Senator will agree with me that every day in the press and in the statements of those who write upon the subject, and in speeches, and quite often by self-designated liberals, emphasis is placed almost solely upon the material side of democracy, the extension of material opportunity and economic opportunity. Some would restrict the personal and spiritual freedom of the individual even by coercion and force.

I agree absolutely with the distinguished Senator—and I believe he will agree with me—that the oldest and truest liberal tradition is that spiritual and personal freedom of the individual is the very basis of democracy. Knowing the Senator, I am not surprised with what he has said.

I merely wanted to say this in appreciation of what the distinguished Senator has just been discussing.

Mr. MORSE. I wish to say to the Senator from Kentucky that I appreciate very much his contribution to my discussion, and his kind expression of agreement with me on the particular point I am making at the present time. I would expect that from the Senator from Kentucky, because through my friendship with him I know something about his attitude toward the basis of democracy; I know that he appreciates what really constitutes democracy. I am not surprised to find him publicly making the statement that he shares my view that, after all, the very essence of a democratic form of government, when we get right down to its essence, is that it rests on spiritual values. The Senator from Kentucky is a fine Christian statesman who recognizes that the spiritual values of democracy grow out of the theory that, after all, as I said a moment ago, democratic government seeks to serve the dignity and sacred nature of the individual. When I refer to the dignity and sacred nature of the individual, I mean the divine essence of the life of the individual. After all, human life has a great divine source. Whenever we forget that in democracy the primary object is to promote and develop the good which is in the individual person, we will weaken democracy. Whenever we mark out a legislative course of action which fails to deal with the spiritual values found in the human relations within our democracy, or in human relations between our democracy and other countries of the world, we will be cutting at the very roots of democracy itself.

Mr. President, I am for the Marshall plan because I think the bill gives us another opportunity to demonstrate the great spiritual values of democracy, and gives us a chance to show the world that we intend to put human values above material values.

So much of this debate has been of the latter type, so much of the criticism of the bill has been of the latter type; namely, an overemphasis on materialism. Of course, those of us for the bill are, in a sense, on the defensive when it comes to the $64 question. The Senator from Michigan has not been able to answer the $64 question. In fact, as I interpret his remarks, he not only has not been able to answer it, but he confesses that he knows of no answer to it except a negative one.

In the last analysis, what has been the $64 question throughout this debate? It is this: Can the proponents of the bill give any assurance that it will win the peace? Of course we cannot. As the Senator from Michigan has said—and I paraphrase his statement, I am not quoting him directly—but he pointed out very clearly that conditions are changing so rapidly that it is impossible to give the American people assurance about anything when it comes to international relations. I share the view which I think has been expressed over and over again in the debate, that without the action we are asked to take there can be no peace. That is quite a different thing from saying that with it we will have peace.

Rehabilitation of Europe is going to cost, at least for a time, some sacrifices on our part, although I believe in the long run it will result to our economic advantage. But even if it would not, I would still be for the plan for the reasons I have already advanced, as well as for the reason that without economic rehabilitation of Europe there can be no peace in Europe.

Where are the people of Europe to turn? My colleagues have heard me say before that there cannot be any economic stability established in Europe

until there are some wheels in Europe, and there are few production wheels in Europe today.

As has been pointed out in the debate, with the economic rehabilitation of Europe we will have a first line of economic defense established in case Russia continues her course of noncooperation. I have heard nothing by way of rebuttal that shakes my confidence one iota in the firm belief that the enactment of the bill will go a very long way in reestablishing Europe economically. With that economic rehabilitation, friendly relations will be intensified in Europe toward the United States on the part of the war-torn countries.

I have the suspicion, Mr. President, that with the economic rehabilitation of Europe, Soviet Russia will then at least have good cause, or at least will have a rationalized cause, for changing her present hostile attitude toward us. Russia's present plans are to defeat the successful operation of the Marshall plan. I do not think there is any basis for a successful denial of that intention on the part of Soviet Russia. Her acts of opposition to the plan, her aggressive policies, her constant use of the veto, her refusal to participate in the Paris conference all go to show her design to block an economic rehabilitation of western Europe. She is playing for time.

Is it not true that we, too, are playing for time, as well as Soviet Russia is? I have an idea, perhaps I should say a hope, that with the economic rehabilitation of Europe, and the establishment of healthy trade relations between western Europe and other parts of the world, Russia will wake up and discover that, after all, her program of noncooperation and her program of sabotage are not in her best economic interests.

I am inclined to agree with the distinguished Senator from Michigan—and I paraphrase him again—I think one of the best weapons we will have for persuasive influence on Russia 3, 4, 5, or even 10 years from now, will be the putting into operation of this plan, resulting in Russia's leaders seeing that we mean to practice the ideals of democracy. It gives us a chance to show Russia that we mean to carry out the spiritual basis of democracy, that we mean to fulfill our moral obligations, obligations which rest upon us as the result of our participation in the war. It gives us time to show Russia that we mean to take those steps necessary to protect our national security to the extent that we can protect it through economic action in Europe.

Mr. BALDWIN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Connecticut.

Mr. BALDWIN. I have been touched by the eloquent words the distinguished Senator from Oregon has uttered about the spiritual value of democracy. The distinguished and able Senator from Ohio [Mr. TAFT] discussed the pending measure purely from the standpoint of a business venture, and it is a business venture; I think all of us have to look upon it as such. But I do think it is a good deal more than a business venture. I think it has great value far beyond that.

We cannot deny that in this world, wicked and tough as it is, and tainted with greed and hate as we know it to be, there is yet such a thing as good will, and there are yet men and women of good will. By our deeds we express our hopes and our generosity and our faith, that, as Paul said in his letter to the Romans so long ago, "All things work together for good." It may take a long time. We may not be here to see it. But I do believe, Mr. President, that at long last good intentions will breed good intentions if we can but get the opportunity to touch the hearts of plain people all over the world, as good deeds and good intentions always do.

I know that in the long run that will spell success for this plan in the advancement of our dearest and fondest hopes and ideals.

Mr. MORSE. Mr. President, I want to thank the Senator from Connecticut for his remarks, because better than I can make them, they reinforce what I would call the major premise, the most important reason which I seek to advance in support of the Marshall plan here tonight. It is a reason which, as he points out, rises far above the level of materialism, rises far above the level of selfish economic interests and personal greed, goes right to the heart of the question of our humanitarian duties to our fellow men. It raises the question of whether or not we as a great, free people believing in the rights of the individual, believing that human life is, after all, the greatest value on earth, are going to practice the spiritual obligations of democracy or are we going to substitute for the idealism of democracy a false god of materialism as a basis for democracy.

I want to say that when politically we become idol worshipers of materialism we will fall as a democracy, just as the people of various nations through the ages have fallen when spiritually they have substituted idolatry for belief in the divinity of the human life as a creation of a supreme force which I call God.

I want to move to my next point, Mr. President. I was very much interested in the speech of the Senator from Ohio [Mr. TAFT] to which the Senator from Connecticut alluded. It seemed to me that throughout the speech, Mr. President, the appeal of the Senator from Ohio was to the pockets of the American people, when the hour calls for an appeal to the American people to recognize the great moral obligations that are theirs. Statesmanship calls for us to challenge the American people to recognize, Mr. President, the great opportunity they have in the history of the world to make those great sacrifices which must be made if we are to record in history that in this period of history we were willing to do what was necessary to win the peace.

Mr. KILGORE. Mr. President——

The PRESIDING OFFICER (Mr. COOPER in the chair). Does the Senator from Oregon yield to the Senator from West Virginia?

Mr. MORSE. I yield.

Mr. KILGORE. I wish to ask the Senator from Oregon if the point just made by him was not rather well illustrated by the popular appeal of the friendship trains, and not only that, but by the postfriendship trains, provisions of all kinds to fill which came in voluntarily from all over the United States.

Mr. MORSE. Mr. President, I think the answer is a clear "Yes." I may say to the Senator from West Virginia that for the last several months—in fact, I think the Senator from Michigan knows that for most of the past year—I have been speaking in a great many parts of the United States on international policy questions. I want to say to the Senator from West Virginia that if we can only get the American people to pause long enough to reexamine their sense of values, as far as what ideals they think our Government should stand for, we will never have any trouble getting them to agree that we ought to put these moral values, about which I have been speaking, first, and material values second.

I have no desire to make any long record in opposition to the very able speech, from his viewpoint, which the Senator from Ohio just delivered. I simply want to go on record as saying that I completely and totally disagree with most of the premises he laid down in his speech. I want to point out that the history of the bill, I think, rebuts the Senator from Ohio. I want to say that I think our obligations to the peace deny and reject his philosophy. The Marshall plan has been carefully prepared and is fully substantiated.

We start out, as the Senator from Michigan pointed out in his speech, with the Paris Conference of 16 nations. They worked long and hard on it. As the Senator from Michigan pointed out, other nations could have been in on the conference. Instead of a plan which would be limited very much to western Europe, it could have been a plan which could have taken in all of Europe. It is only unfortunate that it did not, because had it taken in all of Europe I think we would have been much closer to winning the peace than we possibly can be, because of the fact that it does not include Russia and her satellite nations. But the responsibility for the fact that it does not take in all of Europe, Mr. President, rests with just one country, and that is Communist Russia. According to my sights, my thinking, my reading, my observation, Soviet Russia decided at the time of the Paris Conference that she could best carry out her subversive design for wrecking the peace by attempting to wreck that conference, and failing in that, to wreck any plan that would come out of the conference.

The conference was held. It submitted a report. It was a thoroughly prepared and documented report. It has stood up well during this debate. Then the report was carefully analyzed by various groups in this country, including the Harriman Commission. The Senator from Michigan referred to the work of the Harriman Commission, to its report, and, as the Senator from Michigan and the Senator from Ohio have both pointed out, its work was greatly influenced by a former distinguished Member of this body, the former Senator from Wisconsin, Mr. La Follette. Those

who worked in this body with Mr. La Follette know that he always tested foreign-policy proposals by what he thought was America's best national self-interest. He supports the Marshall plan because he believes it meets that test.

The report then came to the Foreign Relations Committee. The record shows that the sum was about $6,800,000,000, and the Foreign Relations Committee cut it down to $5,300,000,000, after a careful analysis, Mr. President, of all the claims and of all the demands. But I want to emphasize that the Harriman report was modified by the Foreign Relations Committee and the sum of $5,300,000,000 for the first year was the result of the work of the Foreign Relations Committee.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BREWSTER. I am a little puzzled by the mathematics of the Senator from Oregon, as it was my understanding that the initial figure was $6,800,000,000.

Mr. MORSE. Six billion eight hundred million dollars is right.

Mr. BREWSTER. Yes. And that the Foreign Relations Committee then made it $5,300,000,000.

Mr. MORSE. Yes.

Mr. BREWSTER. But the committee eliminated 3 months, so that the figure which they reported at $5,300,000,000 corresponded exactly to the $6,800,000,000 figure, except that one was to cover 15 months and the other was to cover 12 months, so consequently it would not appear that there was any reduction in the figure so far as the estimates were concerned.

Mr. MORSE. I think it amounts in fact to a considerable reduction, if the Senator from Maine will take into account the modifications in the powers and duties which are placed upon the Administrator of the plan by the committee bill. Those powers which will be exercised on a 12-month basis gives to him a discretion which I think he ought to be given in order to stop any of the payments to any foreign country in case he finds that the foreign country is not in turn keeping faith with the conditions and commitments required by the bill. I think that will result in a very substantial guaranty of economy in the expenditure of the money.

Mr. BREWSTER. My point was that I thought the change from $6,800,000,000 to $5,300,000,000, which I understand the Senator from Oregon to intimate was a reduction, was not in fact a reduction. There may have been changes in other provisions of the bill which may effectuate the economies which we all desire.

Mr. MORSE. The Senator is quite right, that so far as the pro rata amount is concerned, the reduction in time reduced the amount in accordance with the time. However, I think that in order to determine if the Vandenberg committee went into a careful analysis as to whether or not the amounts requested were reasonable, we must keep in mind the fact that the powers which were added and the change in the administration set-up which the Senate committee worked out, as against the administration proposed by the Harriman committee, will result in a very satisfactory check upon the expenditure of the money under the plan.

Mr. President, it is very easy in considering any plan which calls for allocation of funds for various expenditures, to raise the question, Why should this amount be spent for tobacco? Why should this amount be spent for grain for livestock in Europe? Why should a certain amount be spent for any other commodity on the list? That is the technique of the Senator from Ohio in attacking the figures in his bill. Why so much for this and that? Why not more? might also be asked. I think a much better case could be made for more than the Senator from Ohio makes for less.

The fact remains—and this is the point I wish to drive home—that these figures as set out in the bill have been carefully considered by those groups in our Government which analyzed them prior to their being submitted to us. They have been analyzed by the Foreign Relations Committee. The committee has brought forth these figures as figures which give the best assurance for successful operation of the plan.

The choice in the Senate then becomes whether we are willing to accept these figures of 5.3 billions and place our confidence in the groups and individuals who have passed on the figures, or substitute for them the figures offered by the Senator from Ohio, who, after all, by his own words, has no sounder basis, so far as evaluation criteria or a scientific formula is concerned, for his figures than there is for the figures of the Vandenberg committee.

I heard nothing in the able speech of the Senator from Ohio which would justify my casting aside the many weeks of study of the Harriman group and of the Vandenberg committee and substituting the economic data offered by the Senator from Ohio, particularly when he makes the argument that $4,000,000,000 is enough because it is about what we have been doing during the past 2 years. I think he answers himself by that argument. We have not economically rehabilitated Europe or made any successful strides toward the economic rehabilitation of Europe by doing what we have been doing during the past 2 years. That is why we need a new plan. That is why we need to do more.

If all the Senator from Ohio has to offer is a continuation of what we have been doing for the past 2 years, then I say the plan has no chance of success so far as advancing the cause of winning the peace is concerned. That argument alone as made by the Senator from Ohio is all I need to hear to reject the data of the Senator from Ohio. He advanced no such careful study of the needs of Europe as did the Vandenberg committee to justify my accepting his personal views as to why we should follow a penny-pinching policy of reducing the amount from $5,300,000,000 to his suggested figure of four billion.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LUCAS. I agree with what the Senator is saying with respect to those data. We know that the best experts we could obtain in the Government and the best experts that could be obtained on the other side of the water considered this plan. No plan is perfect, of course; but when the Senator from Ohio says that there is absolutely no way to calculate the exact amount, I cannot understand how he can blindly say, "We are going to take away $1,300,000,000," without any facts or figures to support him.

Mr. MORSE. I agree with the Senator from Illinois. Nothing further needs to be said, or should be said on that subject.

Mr. LUCAS. We must have faith in someone in connection with this problem. So far as I am concerned I am willing to take the facts and figures which are supported by some of the best businessmen in America, who have studied this plan for many months, rather than to take the figures of a Senator who cannot, in the limited amount of time at his disposal and with the limited number of assistants about him, do the job which others have done.

Mr. MORSE. The Senator from Ohio is, in my opinion, an exceedingly able, hard-working, very intelligent student of these problems. However, I think he has failed to sustain the burden of proof resting upon him in this instance.

Mr. LUCAS. No one will question that.

Mr. MORSE. Undoubtedly he has worked very hard on this problem. But when I take all the work which he demonstrated this afternoon he has done and lay it alongside the much more careful analysis which I think clearly has been done by the other individuals and committees which have worked on the plan, I must reject his figure. When I weigh his proposal and his point, that his $4,000,000,000 would carry on what we have been doing for the past 2 years but only that, then I say that in my opinion his proposition falls like a house of cards. I say that because for the past 2 years what we have been doing has not done the job which needs to be done. It has only fed the people of Europe. It has not provided the tools which will help them help themselves. When he says that it is not a sound argument to say that what we have been doing is only a relief program, I say that for the major part all we have been doing is filling stomachs; and filling stomachs is not enough. We must establish in western Europe some productive institutions which can help to reestablish the economy of that part of the world, so that foreign trade can be resumed, and so that production wheels can again operate, in order that the people of Europe may in fact help themselves. They cannot help themselves economically unless we are willing to spend more than we have been spending in the past 2 years in order to reestablish over there the productive forces of a going economy.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. LUCAS. The Senator is absolutely correct, in my judgment; and the American people are going to believe that he is correct, because the American people have the correct notion, that what we have been doing in Europe in the past 3 years has been primarily a relief program and nothing else.

Mr. MORSE. That is what it has been, for the most part.

Mr. LUCAS. That is correct; and when we continue to appropriate only the same amount of money we have been appropriating before, they are going to continue to believe—and rightfully so—that we are doing nothing but continuing the relief program which we have been going through with for the past 4 years.

If I thought for one moment that the Marshall plan was nothing but a relief program, I would be unalterably opposed to it. If there is no economic rehabilitation in the western democracies of Europe in the Marshall plan, I want no part of it. But from my understanding of the Marshall plan, and from what I have read, seen, and heard during attendance before the Committee on Foreign Relations, and hearing one witness after another testify, I am satisfied that there is something worth while in the Marshall plan which will place the democracies of western Europe on their economic feet. If we cannot do that, we had better fold up and not give them anything at all.

Mr. MORSE. I agree with the Senator from Illinois.

Mr. WILSON. Mr. President, before the Senator resumes his remarks, will he yield to me?

Mr. MORSE. I am very glad to yield.

Mr. WILSON. I understand that the Senator from Oregon says a survey has been made by competent persons as to the needs of foreign countries. I am interested in that matter, and I ask this question on the basis of one who is seeking light. Can the Senator from Oregon give to me the names of those who have been in foreign countries and have surveyed them? I refer to persons other than those in the legislative branch of the Government.

Mr. MORSE. I think the Senator from Iowa will find in the composition of the Harriman group, men who are well informed on conditions in Europe. I think he will find on the Foreign Relations Committee of the United States Senate men who have made a very careful and intelligent study of conditions in Europe.

Mr. WILSON. Mr. President, will the Senator further yield?

Mr. MORSE. I am glad to yield.

Mr. WILSON. The Senator has not answered my question. Will he give me the names of those persons?

Mr. MORSE. If the Senator from Iowa will hand me the list of the members of the Harriman Committee, I can point them out to him. Most of them have made first-hand studies of Europe. I do not carry their names in my mind, of course. Or if the Senator will hand me a list of the Members of the Senate Foreign Relations Committee I will show him the names of a long list of Senators who have made a first-hand study of conditions in Europe. For example, the distinguished Senator from Massachusetts [Mr. LODGE] is typical of the men who have made a rather careful study of the foreign situation.

Mr. WILSON. Mr. President, will the Senator further yield to me?

Mr. MORSE. Yes; I am glad to yield.

Mr. WILSON. Yesterday I placed in the RECORD a list of those who have made a survey.

Mr. MORSE. Well, let us consider Mr. Harriman. Does the Senator from Iowa desire to express the view that Mr. Harriman is not reasonably well informed as to the situation in Europe, on the basis of personal observations in Europe?

Mr. WILSON. No. But on the basis of the Harriman Committee's report, as I understand it and as it is being submitted, I say to the Senator from Oregon that Mr. Harriman did not visit any one of these countries after he was appointed.

Mr. MORSE. Does the Senator mean after Mr. Harriman was appointed to the board?

Mr. WILSON. Yes.

Mr. MORSE. Certainly I am sure that my friend the Senator from Iowa, being the exceptionally able lawyer that he is, will not argue that the point he has just made disqualifies Mr. Harriman as an expert witness in this case, in view of Mr. Harriman's experience as our Ambassador to Russia and his many visits to the continent of Europe.

Mr. WILSON. I am sure, Mr. President, that Mr. Harriman might qualify as an expert witness; but, of course, we have expert witnesses and expert witnesses, as the learned lawyer and Senator from Oregon knows full well.

Mr. MORSE. I wish to say that I am satisfied that the personal studies of a substantial number of the members of the Harriman commission and a substantial number of the members of the Senate Foreign Relations Committee as to conditions in Europe establish, to my satisfaction, their high competency to recommend to us the amounts that should be authorized and the commodities for which the amounts should be spent in the interest of stabilizing and rehabilitating the economy of Europe. These men are highly competent to recommend the Marshall plan as the best way to maintain during the years of economic dislocation immediately ahead in this country a much greater stabilization of our own economy than I think we could possibly have without the Marshall plan. As I have already said, I agree with them that the Marshall plan is in the national, selfish, economic interest of the United States. It is also in our best moral interests.

Mr. WILSON. Mr. President, will the Senator further yield?

Mr. MORSE. I am glad to yield.

Mr. WILSON. I note that the Senator from Oregon refers to the amount of equipment which should be sent to Europe. Can the Senator point out any place in the hearings or in the debate in this body where an indication is made of what equipment is going to be sent to Europe, and to what countries?

Mr. MORSE. Of course, I think one of the strengths of the plan is to be found in the flexibility of the plan in meeting the economic exigencies as they arise in Europe. I think it would be a great mistake for us to lay down a hard and fast blueprint now and say, for example, that so many thousands of tractors must go to this country, or so many pounds of cotton must go to that country. I think the strength of the plan is to be found in the fact that it is flexible enough to permit adjustment from month to month as economic conditions change there and change here. If it were to be one of those iron-clad plans, not subject to any flexibility, it would be doomed to failure before we start.

Mr. WILSON. Mr. President, if the Senator will yield again——

Mr. MORSE. I yield.

Mr. WILSON. I think the Senator and I are in agreement that there should be no limitation on the first year's appropriation, so that there may be flexibility.

Mr. MORSE. Flexibility, so far as determining the commodities for which the money is to be spent.

Mr. WILSON. And flexibility in regard to amount.

Mr. MORSE. No. I think we ought to recognize that we should start out with the $5,300,000,000 that it calls for. I think that figure is the conclusion that competent men who have studied the question for weeks and months have determined to be the figure that we ought to use as the first year's amount. We must have some figure based upon a study of the problem. These careful students of the problem have made the study, and now, at this late hour, a proposal comes in for $4,000,000,000, which to all intents and purposes is picked out of the sky. Even the proposer of the $4,000,000,000 says he cannot lay down any criteria that can be applied for a certainty in determining the amount.

Mr. WILSON. Mr. President, if the Senator will yield again.

Mr. MORSE. I will yield.

Mr. WILSON. I am not advocating $4,000,000,000, nor am I advocating any amount. All I am asking and attempting to get is that which is right.

Mr. MORSE. That is all I am seeking.

Mr. WILSON. I know, Mr. President, and I grant that the Senator from Oregon is doing a splendid job. But I should like to know who determined that this was the proper amount to appropriate.

Mr. MORSE. It is the recommendation by the unanimous vote of our own Foreign Relations Committee. That is good enough for me.

Mr. WILSON. Then if the Senator will again yield to me——

Mr. MORSE. I will yield.

Mr. WILSON. Then, perhaps, the Senate of the United States should abdicate its functions when the unanimous vote of the Foreign Relations Committee is cast. I approve of and admire every member, but when they vote a certain figure unanimously, the Senator and I should not make further inquiries.

Mr. MORSE. Oh, no. I think the Senator knows he has jumped two or three premises in order to reach that conclusion.

Mr. WILSON. No.

Mr. MORSE. If the Senator does not believe that the Foreign Relations Committee has submitted to him a report that can meet the tests of soundness and logic and competency, he should vote against the report. All I am saying is the Senate Foreign Relations Committee has convinced me that on the basis of their report, on the basis of their study, they have fixed the figure which ought to be the minimum figure. That is all the Senator from Oregon is saying. I think they have made a stronger case for $5,300,000,000 than Senator TAFT has for $4,000,000,000. That is all I am saying.

Mr. WILSON. Mr. President, if the Senator will yield again——

Mr. MORSE. I yield.

Mr. WILSON. All I am endeavoring to do, and I wish the Senator would help me, is to find in the report of the Foreign Relations Committee anything upon which I may predicate a judgment.

Mr. MORSE. I think if the Senator will read it from the four corners, and if he will read it supplemented by the great speech by the Senator from Michigan, he has plenty of basis to agree with the Senator from Oregon that $5,300,000,000 is amply supported by both the report and by that great speech.

In view of the fact that the Senator from Iowa has raised the question as to the background and competency and qualifications of the members of the Harriman committee, I ask to have printed in the body of the RECORD at this point, as my answer to that question, the document entitled "Qualifications and Experience of United States Personnel Participating in the Preparation of the European Recovery Program." It speaks for itself. It shows that a very competent group of men made that study.

The PRESIDING OFFICER. Is there objection?

There being no objection, the document was ordered to be printed in the RECORD, as follows:

QUALIFICATIONS AND EXPERIENCE OF UNITED STATES PERSONNEL PARTICIPATING IN THE PREPARATION OF THE EUROPEAN RECOVERY PROGRAM

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A. Advisory Steering Committee on European Recovery Program.

B. Executive Committee on Economic Foreign Policy (ECEFP).

C. National Advisory Council (NAC).

D. Policy Planning Staff of the Department of State.

E. Substructure of the major committees:

(1) Advisory Steering Committee:

(a) Objectives Subcommittee.

(b) Correlation Committee and Staff Group.

(c) Organization and Administration Committee.

(d) Legislative Drafting Committee.

(e) Functional and Commodity Committee.

1. Food and agriculture.
2. Fertilizer.
3. Agricultural machinery.
4. Coal.
5. Mining machinery.
6. Electric power.
7. Petroleum.
8. Iron and steel.
9. Inland transport.
10. Maritime transport.
11. Timber.
12. Manpower.

(f) Country committees: Coordinating Group:

1. Austria.
2. Belgium, Netherlands, Luxemburg.
3. France.
4. Greece.
5. Italy.
6. Scandinavia.
7. Switzerland-Portugal.
8. Turkey.
9. United Kingdom-Ireland.
10. Western Germany.

(2) Executive Committee on Economic Foreign Policy: Subcommittee for ERP:

(a) Working Group on Relationship Between the ERP and the UN and Specialized Organization.

(b) Working Group on the Relationship Between ERP and ITO.

(c) Working Group on Domestic Controls Needed to Implement the ERP.

(d) Working Group on Strategic Materials.

(e) Working Group on Manpower Report.

(3) National Advisory Council: Staff Committee.

A. ADVISORY STEERING COMMITTEE ON EUROPEAN RECOVERY PROGRAM

Chairman: Robert A. Lovett, Department of State. Position: Under Secretary of State. Age: 53. Degrees: B. A. (Yale). Graduate work Harvard. Experience: Banker; partner in Brown Bros. Harriman & Co.; Special Assistant to Secretary of War; Assistant Secretary of War for Air; pilot; lieutenant commander United States Naval Air Service.

Vice Chairman and Executive Secretary: Charles H. Bonesteel, Department of State. Position: Special Assistant to the Under Secretary of State. Age: 39. Degrees: Graduated United States Military Academy 1931, Rhodes Scholar Oxford, B. A. On the Planning Staffs of General Bradley and General Montgomery during World War II. Worked in the Plans and Operations Division of the War Department General Staff on policy in connection with the Japanese surrender. One of the War Department's representatives in the United States Delegation to the United Nations Conference on International Organization at San Francisco. War Department representative at most of the Council of Foreign Minister meetings working on Italian, Balkan, German, and Austrian Peace Treaties. Since August 1947 has served as Special Assistant to the Under Secretary of State.

Secretary: Melvin L. Manfull, Department of State. Position: Divisional Assistant P-4, Office of the Secretary. Age: 28. Degrees: A. B., history. Experience: Fellow in Department of Psychology and assistant to professor of history, University of Utah, 1940–41; National Institute of Public Affairs intern assigned to Personnel Office, Civil Aeronautics Administration, 1941–42; United States Navy, overseas service, lieutenant, 1942–45; administrative officer, Office of Price Administration, February–August 1946; appointed to Department of State as Assistant to Special Assistant, Central Secretariat, 1946–47.

Members: Willard L. Thorp, Department of State. Position: Assistant Secretary of State for Economic Affairs. Age: 48. Degrees: B. A., M. A., Ph. D. (Economics and Mathematics). Experience: Instructor in Economics, University of Michigan, 1921; Instructor in Economics, Amherst, 1921–22; Professor of Economics, Amherst, 1926 to 1934; Research Staff, National Bureau of Economic Research, 1923 to 1933; Director, United States Bureau of Foreign and Domestic Commerce, 1933 to 1934; 1934 to 1935, Director, Price Studies, Department of Labor, Director, Consumers Division, National Emergency Council, and Chairman, Advisory Council, N. R. A.; 1935 to March 1939, Director of Economic Research for Dun and Bradstreet, Inc.; 1939 to 1940, Economic Adviser to the Secretary of Commerce; Trustee from 1940 to June 1945, Trustee of Associated Gas & Electric Corp. Mr. Thorp served as delegate of the United States to the World Statistical Congress from September 6–12, 1947. He is the author of several books on economics, including The Integration of Industrial Operations, Business Annals, Economic Institutions, and many articles on economic matters. Appointed to the Department of State in June 1945 as Deputy to the Assistant Secretary of State, and later, November 1946, appointed to present position.

Thomas C. Blaisdell, Jr., Department of Commerce. Position: Assistant to the Secretary for International Trade. Age: 53. Degrees: A. B., M. A., Ph. D. Experience: 3 years History teacher, Ewing Christian College, Allahabad University, India. Three years teacher of Sociology and Economics, Yenching University, Peking, China. Eight years teacher of Economics, Columbia University. One year Assistant Director, Consumers Council, Agricultural Adjustment Administration. One year Executive Director, Consumers Advisory Board, NRA. One year Economic Adviser to Administrator, Resettlement Administration. Two years Assistant Director, Bureau of Research and Statistics, Social Security Board. Five years Assistant Director, National Resources Planning Board. One year Chairman, Industrial Committee, National Resources Planning Board, Member of Planning Committee, War Production Board. One year Director, Planning and Statistics, Office of War Mobilization and Reconversion. Director of Bureau of Programs and Statistics, War Production Board. Nine months Chief of Mission for Economic Affairs with rank of Minister, London. January 20, 1947, appointed Director, Office of International Trade, Department of Commerce.

Frank A. Southard, Treasury Department. Position: Director, Office of International Finance. Age: 41. Degrees: A. B., Ph. D. Experience: Professor of economics and chairman of Department of Economics, Cornell University. Is on leave of absence for present position. One year Guggenheim fellow in South America in 1940, studying foreign exchange procedures for Argentina and Chile. One year Assistant Director of Monetary Research, Treasury Department, working on exchange stabilization, commercial policy, Latin American and Far Eastern problems. One year member and acting chief, American Technical Mission to Cuba, advising the Cuban Government on central banking and banking reform (1941–42). Four years United States Navy, serving principally as financial adviser, Allied Force Headquarters in the Mediterranean, with responsibility for military and civilian financial problems and operations in north Africa, Italy, southern France, and the Balkans. Director, Office of International Finance, from July 15, 1947, to present. Author of numerous books and articles on international finance with special emphasis on foreign exchange.

Norris E. Dodd, Department of Agriculture. Position: Under Secretary. Age: 68. Degrees: None. Experience: 1909 to present—has owned and operated a farm and cattle ranch. 1935–48 entered AAA as Assistant Director of Western Division, later became Director. Later, became Administrator of entire AAA. Presently serving as Under Secretary of Department.

James Boyd, Department of the Interior. Position: Director, Bureau of Mines. Age: 44. Degrees: B. S., M. Sc., D. Sc. Experience: Twelve years professor of geology, Colorado School of Mines. One year president of Gold Crest Mining Co. Five years United States Army, captain to colonel. Chief of Metal Section, Office of the Secretary of War. Army representative to the Program Adjustments Committee of War Production Board. Served on Copper Committee of the Combined Raw Materials Board and adviser on metals to the

American Representative on the Combined Raw Materials Board. Executive Officer to the Director of Material, Army Service Forces, and Director of the Industry Division, Office of the Military Government in Germany. Resumed duty at Colorado School of Mines in September 1946 as dean of the faculty, which position he held until entering on duty at Interior Department, March 26, 1947, as consultant to the Secretary on minerals and metals. Has been Director of Bureau of Mines since August 1947.

Raymond M. Cheseldine (Col.), Department of the Army. Position: War Department Special Staff, Civil Affairs Division. Age: 56. Degrees: B. S., Ohio Wesleyan University, Washington College of Law, 2 years. Experience: 1919–1929 managing editor of newspaper, Zanesville, Ohio. 1929–1935, Standard Statistics Co., New York, business analyst; 1935–1941, FHA, and Federal Trade Commission. Planning and building community of Buckingham, Va., working on organizational problems; 1942–1946, Office of the Chief of Ordnance, War Department, Industrial Division as Administrative Officer. March 23, 1946, to present, on War Department Special Staff, Civil Affairs Division.

Edmund T. Wooldridge (rear admiral), Department of the Navy. Position: Assistant Chief of Naval Operations. Age: 51. Degrees: Graduate and postgraduate of United States Naval Academy. Experience: 1916–193?, ship duty, is qualified to command submarines; 1932–34, Naval Administration Depot, aid and flag lieutenant on staff of commander, Battleship Division 3. July 18, 1936–June 11, 1937, command of U. S. S. *Tattnall*. July 15, 1937–Nov. 6, 1939, attended United States Naval War College. November 23, 1939–February 10, 1941, executive officer, U. S. S. *Dobbin*. February 27, 1941–January 13, 1942, Office of Chief of Naval Operations, assistant operations officer on staff of commander, support force, Atlantic Fleet. January 13, 1942–March 10, 1942, Assistant Chief of Staff and Operations Officer, Staff of Commander, Support Force, Atlantic Fleet. March 10, 1942–December 16, 1944, Chief of Staff and Aid Commander Task Force 24. January 23, 1945–December 8, 1945, Command of U. S. S. *New Jersey*. February 15, 1946–October 11, 1947, Assistant Chief of Naval Operations (Political Military Affairs). March 16, 1947, Consultant to United States Representatives to the Security Council of the United Nations. Served as liaison officer with United States members, Military Staff Committee, to United States Representative on the United Nations Regulation of Conventional Armaments Committee.

J. Burke Knapp, Federal Reserve Board. Position: Assistant Director, Division of Research and Statistics of Board of Governors. Age: 34. Degrees: A. B., B. A., Stanford; B Litt., Oxford (Economics). Experience: 1936–39 Assistant to Managing Directors, Berlin and London offices of Brown, Harriman Co., Ltd., international investment bankers—work on investments, preparation of information on financial conditions in European countries; 1940–44, Federal Reserve (Board of Governors) jr. and assoc. economist; 1944–45 Department of State, Office of Wartime Economic dministration as Economist. 1945–48, Federal Reserve, Special Assistant to the Chairman of the Board, on foreign matters (1945–46); 1946–48, Assistant Director, Division of Research and Statistics, Board of Governors.

Philip M. Kaiser, Department of Labor. Position: Director, Office of International Labor Affairs. Age: 34. Degrees: A. B., Wisconsin, economics and history; B. A., Oxford, political science, economics. Experience: 3½ years Board of Economic Welfare, Special Assistant to Chief, British Empire Division. Two and one-half years Foreign Economic Administration, Chief, Project Operations Staff. One and one-half years State Department, Acting Chief, Planning and Projects Section, coordinating work of Enemy Branch on Reparations and Industrial Disarmament. Three months State Department, Division of International Organization Affairs, Expert on International Organization Affairs. One and one-half years Assistant to the Assistant Secretary (Labor Department) for International Labor Affairs.

Alternates: Paul H. Nitze, Department of State. Position: Deputy Director, Office of International Trade Policy, P–8. Age: 41. Degrees: A. B. (Economics). Experience: March 1942–June 1943, Chief of Metal and Minerals Division, Office of Imports, BEW; June 1943–November 1944, Director of Foreign Procurement and Development Branch, Bureau of Supplies, FEA; appointed to the Department of State in present position September 13, 1946; 1928–41, vice president of investment bankers firm; 1941–42 Financial Director, Office of the Coordinator of Inter-American Affairs; 1944–46 Vice Chairman, United States Strategic Bombing Survey.

Lincoln Gordon, Department of State. Position: Consultant, Office of Financial and Development Policy. Age: 34. Degrees: A. B., D. Phil. (Economics and Government). Experience: Instructor in Government, Harvard University and Radcliffe College, 4 years. Research technician, National Resources Planning Board, 6 months. Economic Analyst, National Defense Advisory Commission, 3 months. Assistant Director for Plans and Procedures, Program Bureau, WPB, 1 year. Deputy Director, Program Bureau, WPB, 9 months. Director, Program Bureau, WPB, 9 months. Deputy Program Vice Chairman, WPB, 5 months. Program Vice Chairman, WPB, 7 months. Consultant, Army-Navy Munitions Board. Consultant to United States Representative, United Nations Atomic Energy Commission. Associate Professor of Business Administration, on consultant basis, Harvard Business School. Consultant, Office of Financial and Development Policy, Department of State, since August 18, 1947.

Henry Labouisse, Department of State. Position: Special Assistant to Director of Office of European Affairs (P–8). Age: Forty-four. Degrees: A. B., Princeton; LL. B., Harvard. Experience: Chief, Division of Defense Materials, Department of State, and member of Board of Economic Operations, 1941-43; Deputy Director, Office of Foreign Economic Coordination, Department of State, 1943; Special Adviser on Eastern Hemisphere Division, Office of European Affairs, 1943; Chief, Eastern Hemisphere Division, Office of European Affairs, 1944; Special Assistant to Director, Office of European Affairs, 1944; Adviser on Economic Affairs, Foreign Service Auxiliary, at Paris, with honorary rank of Minister, 1944–45; detailed to Berlin conference, 1945; Special Assistant to Assistant Secretary of State for Economic Affairs; special assignment for Assistant Secretary after return from Paris, 1946.

Thomas J. Lynch, Treasury Department. Position: Assistant General Counsel for the Treasury Department, $10,000 per annum; Acting General Counsel for Treasury since August 1947. Age: Forty-eight. Degree: LL. B. Experience: Private practice of law, 1925–34; Assistant General Counsel, Securities and Exchange Commission, Washington, D. C., 1934–39, supervising court proceedings and administrative proceedings. In addition, engaged in assignments relating to interpretative opinions, enforcement, trading, and registration activities. In 1940 was appointed Special Assistant to the Attorney General, Antitrust Division, Department of Justice, in charge of cases and staff assignments. In 1940–43, War Production Board and predecessor organizations (NDAC and OPM), as Assistant General Counsel; duties included service as counsel to Rubber Director, which entailed constant interdepartmental relations. During this period served also as counsel to several industry and materials branches (steel, aluminum, automotive, aircraft, machine tools) and to production and priorities divisions. April 1943 appointed Assistant General Counsel for the Treasury Department, in charge of legislative matters; also had legal supervision over war-contract termination, surplus-property disposal, procurement, and other departmental activities, and was Treasury representative on Contract Termination Legislation Committee and Surplus Property Disposal Legislation Committee. Since August 1947 has been Acting General Counsel for Treasury Department. In this position devotes considerable time to meetings of the Advisory Steering Committee and the National Advisory Council as a representative and adviser to the Secretary of the Treasury.

Norman H. Collisson, Department of the Interior. Position: Special Assistant to the Secretary. (Consultant CAF–15.) Age: 48. Degree: B. S., Swarthmore College, 1922. Experience: 1922–35 consulting engineer firm, with brother, Wm. H. Collisson, Jr.; 1935–38, power engineer, Atlantic City Electric Co.; 1938–42, power engineer, American Gas & Electric Co.; 1942–47, officer in charge of various industries seized under War Labor Disputes Act (Navy Department). Deputy Petroleum Administrator and Coal Mines Administrator; 1947 to present, Department of the Interior, consultant (designated Special Assistant to the Secretary).

Philip Shepley (lieutenant colonel), Department of the Army. Position: Military Survey Branch, Plans and Policy Group, Plans and Operations Division, Department of Army General Staff. Age: 48. Degrees: A. B. (Harvard), LL. B. Experience: Prewar civilian experience in legal practice, 3 years. Manufacturing 3 years, and export sales 11 years, followed by wartime service on Air Force staff in production analysis and postwar planning, 4 years.

Murray Jones Tichenor, Department of the Navy. Position: Captain (Jan. 6, 1943), retiCring Feb. 1, 1948, rear admiral. Age: 45. Degrees: Naval Academy graduate, commissioned ensign June 5, 1924. Experience: Commissioned ensign June 5, 1924; served on U. S. S. *Arizona* (BB) July 1924–December 1928 (gunnery department). Member U. S. Navy Rifle Team, Camp Perry, Ohio, 1927. Member, U. S. Navy Rifle Team, Camp Perry, Ohio, 1928. Executive officer, U. S. S. *R–8* (SS) Aug. 1929–May 1931. Post Graduate School, Annapolis, June 1931–June 1932. Captain, U. S. Navy Rifle Team, Annapolis, Maryland, July and August 1932. Office of Inspector of Naval Material, General Electric Co., Schenectady, N. Y., Aug. 1932–January 1933. Exec., U. S. S. *S–22* March 1933–May 1934. C. O., U. S. S. *S–22* March 1934–May 1936. Navy Department, C. N. O. Fleet Training Division, June 1936–April 1938. C. O., U. S. S. *Dolphin*, May 1938–January 1941. U. S. Naval Mission to Peru April 1941–June 1943. Operations officer, staff commander, submarines, Southwest Pacific Force, Aug. 1943 to April 1945. Temporary duty in U. S. S. *Harder* during Fifth War Patrol, June 1944. C. O., U. S. S. *Eldorado* (AGC 11), June 1945–April 1946. Navy Dept., CNO (OP–35), May 1946 to present.

Lowell M. Pumphrey, Treasury Department. Position: Special Assistant to the Director, Office of International Finance (P–7). Age: 33. Degrees: A. B., M. A., Ph. D.; majored in Economics. Experience: May 1941–November 1941, Economist, Foreign Research Division, Federal Reserve Bank of New York (Central Bank). August 1940–May 1941, Assistant Economist, Bureau of Research and Statistics, National Defense Advisory Commission. November 1941–June 1946, United States Army. May 1946–July 1947, Special Assistant to Chairman, Export-Import Bank. July 1947 to date, Special Assistant to Director, Office of International Finance. Attended Second Annual Meeting of Board of Governors, International Bank and Monetary Fund. Acted in capacity of United States Treasury Representative, London, England, for period

of month during absence of Senior Representative.

Fred D. Northrup, Department of Agriculture. Position: Assistant to Administrator, Production and Marketing Administration (Food and Agricultural Commodity Commission), $10,000 per annum. Age: 48. Degrees: A. B., Econ. Money and Banking, Marketing, Elem. Law. Experience: 1935–48, AAA, responsible positions as program director, work has largely been in distribution of commodities, food, and fertilizer. Material Control Officer, over-all administrative capacity in control of critical materials with which Department was concerned during the war. Chief, Materials and Facilities: Equipment, supplies, machinery. Went to Germany as Chief of Food Production Branch, FEA. Past year and a half has been Assistant to the Administrator in Agricultural Commodities.

Jesse B. Gilmer, Department of Agriculture. Position: Administrator. Age: 37. Degrees: B. S.—Civil Engineering. Experience: 1947–present: Administrator, Production and Marketing Administration, and President of the Commodity Credit Corporation; 1946–47, served as Director, Deputy Administrator, Secretary of the Commodity Credit Corporation, Director of the Budget and Management Branch of Production and Marketing Administration and Assistant to the President of the Commodity Credit Corporation. 1944–46, Assistant Administrator of Farm Security Administration. 1938–44, Regional Director, Farm Security Administration. 1935–38, employed in the Resettlement Administration as Executive Assistant, Head of Procedure Analysis and Control Unit of the Land Utilization Division, Acting Head of Procedure and Progress Unit, Land Utilization Division.

Alexander Gerschenkron, Federal Reserve (Board of Governors). Position: Chief, Foreign Areas Section. Age: 43. Degrees: Doctor Rerum Politicarum (University of Vienna). Experience: Economic analyst in Vienna 4 years. Manager exporting firm in Vienna 3 years. Lecturer and research associate in economics, University of California, 5 years. Board of Governors of the Federal Reserve System since February 29, 1944.

Lewis N. Dembitz, Federal Reserve (Board of Governors). Position: Chief, International Financial Operations Section. Age: 37. Degrees: A. B., M. B. A. Experience: Board of Governors of the Federal Reserve System since January 2, 1934. Resigned January 26, 1943, to go with Board of Economic Warfare, and assigned to the London office as head intelligence officer, engaged in problems for R. A. F. and United States Army Air Forces attack, thence assigned to joint British-American Agency.

Observer: Charles Murphy, the White House.

B. EXECUTIVE COMMITTEE ON ECONOMIC FOREIGN POLICY

Chairman, Willard L. Thorp, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Executive secretary, Eleanor E. Dennison, Department of State. Position, chairman of the secretariat of the executive committee on economic foreign policy. P–7. Age, 47. Degrees, A. B., A. M., Ph. D. Experience: Instructor, University of Denver, 1930–35; research assistant; instructor of pacific relations, 1938; principal program secretary, National League of Women Voters, 1941–44; appointed special assistant to the executive secretary, executive committee on economic foreign policy, Department of State, 1944–45; assistant to the executive secretary, 1945–47.

Members: Frank H. Southard, Jr., Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Clinton P. Anderson, Department of Agriculture. Position: Secretary of Agriculture.

Thomas G. Blaisdell, Department of Commerce. (See Advisory Steering Committee on European Recovery Program.)

Philip Kaiser, Department of Labor. (See Advisory Steering Committee on European Recovery Program.)

C. Girard Davidson, Department of the Interior. Position: Assistant Secretary of the Interior. Age: 38. Degrees: B. A., LL. B., J. S. D. Experience: 3 years, private law practice; 3 years, part-time professor of constitutional law at Southwestern Louisiana Institute; 4 years, attorney for TVA, Knoxville, Tenn.; attorney in charge of Utilities Section, United States Housing Authority, Washington; 1 year, consulting attorney, Bonneville Power Administration, Interior Department; 2 years 6 months, general counsel, Bonneville Power Administration; 6 months, Special Assistant to the Secretary of the Interior; from June 18, 1946, to present, Assistant Secretary of the Interior.

Thomas J. Hargrave, Munitions Board, National Military Establishment. Position: Chairman, Munitions Board. Age: 57. Degrees: No record; attended University of Nebraska, Harvard Law School; admitted to New York State Bar in 1915. Experience: Private law practice, 6 years; manager, Eastman Kodak Co., head of Eastman Kodak Co.'s legal department; chairman, board of directors of Lincoln-Rochester Trust Co.; trustee of Rochester Chamber of Commerce; Chairman, Army-Navy Munitions Board since July 1, 1947.

Oscar B. Ryder, United States Tariff Commission. Position: Chairman of Commission. Age: 62. Degrees: A. B., A. M. Harvard. Experience: 1915–17, assistant in economic history, Harvard; 1918, assistant professor of economics, University of Louisville; 1918, member, staff and planning statistics, United States Shipping Board; 1918, member, staff price section, War Industries Board; 1919–33, United States Tariff Commission, economist; 1933, assistant chief, economist division, member, Planning Commission; 1933–34, NRA, chief imports division, NRA, representative on Executive Commission for Coordination of Commercial Policies; 1934–38, commissioner, United States Tariff Commission; 1939–42, vice chairman, United States Tariff Commission; July 1, 1942, chairman, Commission for Reciprocity Information; 1934–35, member, Joint Committee of League of Nations on Clearing Agreements.

J. Burke Knapp, Federal Reserve Board. (See Advisory Steering Committee on European Recovery Program.)

Alternates: Morris J. Fields, Treasury Department. Position: chief of the commercial policy and United Nations division, Office of Internal Finance, P–7. Age: 49. Degrees: B. S., M. B. A., M. A., Ph. D. economics. Experience: 1924, instructor of economics, University of West Virginia; 1927–30, assistant professor of economics, University of Colorado; 1930–36, instructor and research assistant, Harvard University; 1936–42, assistant to the director of research, Securities and Exchange Commission; February 1942 to August 1943, head of the special studies section, Office of Price Administration; August, 1943, to June, 1944, head of the economics division, War Food Administration; June, 1944, to October, 1945, Foreign Economic Administration, chief of the miscellaneous equipment and supplies section; October, 1945, to December, 1946, Office of International Trade, Department of Commerce, chief of equipment and supplies section; December, 1946, to present, chief of the commercial policy and United Nations division, at present, delegate of the United States to the United Nations conference on trade and employment.

Charles Brannan, Department of Agriculture. Position: Assistant Secretary, CAF–15. Age: 44. Degrees: LL. B. Experience: Practiced law 1929 to 1935. 1935 to 1941 Assistant Regional Attorney, Resettlement Administration. Regional Attorney, Office of the Solicitor, Department of Agriculture. 1941–1944 Regional Director, Farm Security Administration, Assistant Administrator, Farm Security Administration. 1944 to present, Assistant Secretary of Agriculture.

Faith M. Williams, Department of Labor. Position: Labor economist, P–7. Age: 54. Degrees: B. A., MA., Ph. D. Economics. Experience: 3 years assistant professor of economics, Cornell University; 5 years, Department of Agriculture, senior economist, Bureau of Home Economics; 13 years, Department of Labor, economic positions, last 2½ years of which she has been chief of the foreign labor conditions staff.

Arthur S. Barrows, National Military Establishment. Position: Under Secretary of the Air Force. Age: 63. Degree: A. B. Experience: Entered the wholesale hardware business in Chicago, after four years established own business in Washington, Indiana. In 1917 became division manager of Montgomery Ward & Co. From 1925 to 1926 operated a manufacturers' agency and importing company in San Francisco. In 1926 became associated with Sears, Roebuck & Co., becoming a director in 1935, and engaged in the reorganization and supervision of many departments of the company. In 1941 established the independent operation of the mail-order and retail outlets of the company west of Denver, a pattern which after the war was followed throughout the organization in decentralizing the operations of the concern, serving as vice president at that time. In 1942 became president of the concern until became vice chairman of the board in 1946. Retired from active service of the company in 1946. In connection with these duties made a tour of China, Philippines, New Zealand, and Australia in 1946. In March 1946 was appointed Deputy Director of the Economics Division of the Office of Military Government (U. S.) in Germany. On September 26, 1947, was appointed Under Secretary of the Air Force responsible to the Secretary of the Air Force for the formulation and general supervision within the Department of the Air Force, of policies relating to production, procurement, establishment of matériel requirements, logistics, air installations, industrial mobilization, and matters involving aircraft industry. Represents the Department of the Air Force in a liaison capacity with the Atomic Energy Commission. Serves as member of the Munitions Board.

Lynn R. Edminister, United States Tariff Commission. Position: Member and Vice Chairman, CAF–16. Age: 55. Degrees: A. B., Ph. D. Experience: 1917–18, professor of political science, Kansas State Normal University; 1919–22, member of economic staff, United States Tariff Commission; 1922–30 (except for 1 year, 1926–27), member of economic staff, Brookings Institution; 1926–27, associate professor of commerce and business administration at University of Virginia; 1921–30, member of faculty, School of Foreign Service, Georgetown University (except 1926–27); 1931–34, Principal Economist, Foreign Agricultural Service Division, Bureau of Agricultural Economics, United States Department of Agriculture; 1936–38, Chief Economic Analyst, Division of Trade Agreements, Department of State; 1934–36, Chief, Import-Export Section, Agricultural Adjustment Administration; April, 1937, adviser, International Tripartite Technical Conference on the Textile Industry; 1937, member, Joint Preparatory Committee on Philippine Affairs; 1938–42, Special Assistant to the Secretary of State. Participated in the following recent international conferences: October-November 1946, International Conference on World Trade and Employment, London, England. July–September 1947, United Nations Conference on Trade and Employment, Geneva, Switzerland.

Frank M. Shields, Department of Commerce. Position: Chief, Machinery and Motive Products Branch, Office of International

Trade (P-8). Age: 56. Experience: Thirty years' experience in business, including vice president of American Optical Co., with complete charge of manufacturing activities, all research activities, patent and trade-mark activities, and extensive world-wide experience in selling and establishing branch plants. Vice president of Associated Industries of Massachusetts. Four years with War Production Board as Chief, Health Supplies Branch; Director, Safety and Technical Division; Director, Farm Machinery and Equipment Division; Deputy Director, Equipment Bureau, including automotive, general industrial equipment, construction machinery, and tools. Two years as Chief, Commercial Policy Staff, Office of International Trade. Delegate to first meeting of Preparatory Committee of Conference on Trade and Employment, London, 1946.

C. NATIONAL ADVISORY COUNCIL

Chairman: John W. Snyder, Treasury Department. Position: Secretary of Treasury.

Secretary: John W. Gunter, Treasury Department. Position: Deputy Director of International Finance, P-8. Age: 34. Degrees: B.S., M.A., Ph. D. (economics), (specialized in money and banking and international trade). Experience: December 1936 to September 1938, statistical supervisor and administrative assistant for the North Carolina State Employment Service. September 1938 to December 1940, instructor in economic statistics, University of North Carolina; December 1940 to date, Division of Monetary Research and Office of International Finance; before taking over as Deputy Director he was United States Treasury representative in London, England. Was also head of the British Empire Section. Worked in that office, has always been with international finance and economics. Attended the Geneva Conference and various other conferences.

Members: George C. Marshall, Department of State. Position: Secretary of State.

W. Averell Harriman, Department of Commerce. Position: Secretary of Commerce.

Marriner S. Eccles, Board of Governors, Federal Reserve System. Position: Chairman of the Board. Age: 58. Experience: Banker, Chairman of the Board of Governors of the Federal Reserve System since November 16, 1934.

William McChesney Martin, Jr., Export-Import Bank. Position: Chairman of the board and president. Age: 41. Degrees: Student, Benton College of Law, St. Louis, 1931, graduate student. Experience: Member of New York Stock Exchange, 1931-38; governor, 1935-38; chairman committee on constitution, 1937-38; secretary, Conway Commission to Reorganize Exchange, 1937-38; president, 1938-41. Published and edited Economic Forum, 1932-34. Drafted as private, United States Army, 1941, through various steps to colonel, 1945. Assistant, Munitions Assignments Board, Washington; assistant executive, President's Soviet Protocol Commission. Appointed member of board, and chairman, Export-Import Bank of Washington, November 1945. Alternate delegate to International Monetary Conference, London, September 1947.

Alternates: Frank A. Southard, Treasury Department. (See advisory steering committee.)

Willard L. Thorp, Department of State. (See advisory steering committee.)

Thomas C. Blaisdell, Jr., Department of Commerce. (See advisory steering committee).

J. Burke Knapp, Federal Reserve System. (See advisory steering committee.)

Herbert E. Gaston, Export-Import Bank. Position: Vice Chairman of the Board. Age: 66. Experience: Newspaper work and editor of western and New York papers, 1900-31; secretary, Federal Farm Board, 1933; deputy governor, Farm Credit Administration, 1933; assistant to Secretary of Treasury, 1934-39; Assistant Secretary of Treasury, 1939-45; in this capacity participated, as a fiscal adviser to the Secretary of the Treasury, in conferences concerning international financial problems as well as problems concerning the domestic economy. Represented Treasury on Interdepartmental Committee on Cooperation with American Republics; United States delegate to first Conference of Ministers of Finance, Guatemala City, 1939. Appointed member of board of directors and vice chairman, Export-Import Bank of Washington, 1945. Alternate on President's Cabinet Committee on Palestine and Related Problems, 1946. Attended discussions with British in London.

D. POLICY PLANNING STAFF OF THE DEPARTMENT OF STATE

Director: George F. Kennan, Department of State. Position: Director of Policy Planning Staff. Age: 43. Degree: A. B. Experience; Appointed Vice Consul April 22, 1927; Counsellor of Legation, Lisbon September 31, 1942; Counselor American Delegation to the European Advisory Commission at London December 1, 1943; Counselor of Embassy Moscow May 22, 1944 to April 26, 1946; Director Policy Planning Staff, May 5, 1947.

Executive Secretary: Carlton Savage, Department of State. Position: Executive Secretary and Member, Policy Planning Staff, P-8. Age: 50. Degrees: B. S., M. A. (History, Economics, International Law and Relations). Experience: Professor in public schools in Oregon from 1921 to 1926; appointed to Department of State in May 1927, serving in progressively responsible positions, including those of Assistant to the Counselor, Special Assistant to the Assistant Secretary, and General Consultant to the Secretary (through the tenure of several Secretaries) on matters of general policy. He is the author of a two volume work, published by the Department on the "Policy of the United States toward Maritime Commerce". Mr. Savage served as Technical Expert to the United States Delegation, United Nations Conference on International Organization.

Members: Jacques J. Reinstein, Department of State. Position: Member, Policy Planning Staff Special Assistant to the Assistant Secretary for Economic Affairs (P-8). Age: 36. Degree; B. S. (Economics). Special schooling at University of Basel, Switzerland and the Alliance Francaise, Paris, France. Experience: Editorial Assistant, N. R. A., 1933-1936; appointed to Department of State on February 24, 1936, as economic analyst, and has since served in progressively responsible positions in the Department, including the positions of Assistant and Associate Chief in the Division of Financial Affairs; Economic Adviser to United States Delegation, Council for Foreign Ministers; and the present position of Special Assistant to the Assistant Secretary for Economic Affairs, assigned to the Policy Planning Staff. Mr. Reinstein has served as: United States alternate participant, 1st International Wheat Meeting; Alternate Chairman, Proclaimed List Clearance Committee; Member, Advisory Commission on Trade Policy in Relation to Lend Lease; Assistant Adviser on financial and property controls; and Economic Adviser to the Secretary of State for the Council for Foreign Ministers.

Joseph E. Johnson, Department of State. Position: Member, Policy Planning Staff, P-8 (resigned). Age: 41. Degrees, S. B., A. M., Ph. D. (History). Experience: Instructor in history from 1934 to 1943. Appointed to the Department of State in December, 1942, serving in progressively responsible positions, including the position of Chief, Division of International Security Affairs in the Office of Special Political Affairs. Mr. Johnson served as Adviser to the U. S. Group, Dumbarton Oaks Conversations in Washington, 1944; Technical Officer, U. S. Delegation on Inter-American Conference on Problems of War and Peace, Mexico City, 1945; Chief Technical Expert to the U. S. delegation, United Nations Conference on International Organization, San Francisco, 1945; Adviser to U. S. delegation, 1st part of 1st session of the General Assembly, United Nations, London, 1946. Mr. Johnson resigned from the Department on August 15, 1947, to return to Williams College.

Ware Adams, Department of State. Position: Member, Policy Planning Staff (FSO-3). Age: 42. Degree: A. B. Experience: Appointed Foreign Service Officer, November 12, 1929; Lyon, July 22, 1930, to November 11, 1933; Berlin, November 11, 1933, to August 17 1938; University of Chicago for special study in economics August 17, 1938, to April 1, 1939; Consul and 2d Secretary, London, May 27, 1941, to March 11, 1944; Foreign Service Officer, Staff U. S. political adviser, German Affairs, October 16, 1944, to June 28, 1945; Foreign Service Officer, Staff U. S. political adviser, Austrian Affairs, June 28, 1945, to September 7, 1946; 1st Secretary and Consul, Vienna, September 7, 1946; Policy Planning Staff, July 1947.

Consultant: Edward S. Mason, Harvard University. Position: Consultant, Policy Planning Staff, P-8, WAE Office of International Trade Policy. Age: 48. Degrees: A. B., M. A., B. Litt., Ph. D. Experience: Instructor in economics, 1923-1927; assistant professor, 1927-1932; associate professor, 1932-1937; professor, 1937, Harvard University; economic consultant, Department of Labor, 1938-1939; National Advisory Defense Committee, 1940-1941; deputy director of research and analysis branch, Office of Strategic Services, 1941-1944; consultant, Department of State, January 1945; deputy to Assistant Secretary of State for Economic Affairs, 1945; vice chairman of executive committee on economic foreign policy, January 25-July 5, 1945; member of U. S. delegation, International Cotton Advisory Committee, Washington, 1945; per diem status since July 12, 1945.

E. SUBSTRUCTURE OF THE MAJOR COMMITTEES

(1) Advisory Steering Committee

(a) Objectives Subcommittee

Chairman: George F. Kennan, Department of State. (See Policy Planning Staff of the Department of State.)

Executive secretary: Bromley K. Smith, Department of State. Position: Chief, Policy Registry Branch of the Executive Secretariat. Age 36. Degrees: A. B. Experience: 1935-40, Telegraph editor, Washington Daily News. August 22, 1940 appointed Foreign Service Officer. 1945, Assistant Press Officer, United States Delegation, United Nations Conference on International Organization, San Francisco. November 13, 1946 Information Officer, Department of State.

Members: Charles H. Bonesteel, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Willard Thorp, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Thomas C. Blaisdell, Jr., Department of Commerce. (See Advisory Steering Committee on European Recovery Program.)

Frank A. Southard, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Consultants: Jacques J. Reinstein, Department of State. (See Policy Planning Staff of the Department of State.)

John D. Hickerson, Department of State. Position: Deputy Director, P-8, Office of European Affairs. Age: 50. Degrees: A. B. Experience: United States Army 1918; lecturer on diplomatic and consular practice, Georgetown School of Foreign Service, 1928. Appointed vice consul and clerk at Tampico July 9, 1920; vice consul of career of class three and assigned as vice consul at Tampico, September 7, 1920; class two May 26, 1922; vice consul at Rio de Janeiro, July 15, 1922; class one February 26, 1923; consul of class seven December 19, 1923; Foreign Service

Officer of class eight July 1, 1924; consul at Pará August 15, 1924; at Ottawa June 20, 1925; class seven August 31, 1925; class six June 30, 1927; to the Department of State August 18, 1927; class five May 23, 1929; asst. chief Division of Western European Affairs, June 24, 1930; class four February 4, 1931; appointed assistant chief Division of Western European Affairs, Department of State, April 1, 1931; member Board of Appeals and Review 1934–41; assistant chief, Division of European Affairs, June 16, 1937; secretary of American section Permanent Joint Board on Defense, United States and Canada 1940; member Efficiency Rating Commission 1941–42; Chief Division of British Commonwealth Affairs January 15, 1944; area adviser United States group Dumbarton Oaks Conversations on International Organization, Washington, 1944; deputy director Office of European Affairs December 20, 1944; adviser United States delegation United Nations Conference on International Organization San Francisco 1945; member of United States delegation Civil Aviation Conference Bermuda 1946; Director Office of European Affairs August 24, 1947; adviser on the United States delegation to Council of Foreign Ministers, London, November 1947.

Samuel Reber, Department of State. Position: Deputy Director Office of European Affairs. Age: 44. Degree: A. B. Experience: May 28, 1926, appointed Foreign Service officer. Dec. 15, 1931 to July 21, 1932, Disarmament Conference, Geneva. July 21, 1932 to August 3, 1932 third secretary, Brussels. August 3, 1932 to August 29, 1933, third secretary, Luxembourg. August 29, 1933 to July 1, 1934, third secretary, Bern. July 1, 1934 to October 6, 1934 Disarmament Conference, London, October 6, 1934 to July 10, 1935, Bern. November 12, 1935 to March 24, 1936 American Delegation to Naval Conference, London. August 17, 1944 Counsellor of Mission, SHAEF, London. August 31, 1944 Promoted to Minister. March 9, 1947 in charge Western European Affairs, Dept. of State.

Loy W. Henderson, Department of State. Position: Director, Near Eastern and African Affairs. Age: 55. Degree: A. B. Experience: 1918 Member of Inter-allied Commission to Germany for Repatriation of Prisoners of War. 1919–1920 With A. R. C. Commission to Western Russia and the Baltic States. 1920–1921 In charge A. R. C. in Germany. May 26, 1922 appointed Foreign Service Officer. August 28, 1922 to July 17, 1923—Dublin. July 17, 1923 to July 1, 1924—Queenstown. May 12, 1927 to April 30, 1928—third secretary, Riga. April 30, 1928 to October 29, 1929—A. R. C. Representative, Kavne. October 29, 1929, to January 1, 1930—second secretary, Riga. 1937—delegate, Seventeenth International Geological Congress, Moscow. February 7, 1934 to March 18, 1938—second secretary, first secretary, Moscow. October 5, 1942 to March 1, 1943 Counsellor of Embassy, Moscow. October 1, 1943 to July 21, 1945—Envoy Extraordinary and Minister Plenipotentiary, Iraq. November 13, 1946—Director Office of Near Eastern and African Affairs. November 25, 1946—Career Minister.

W. Walton Butterworth, Department of State. Position: Director, Office of Far Eastern Affairs. Age: 44. Degree: A. B. Experience: May 17, 1928—appointed Foreign Service Officer. December 5, 1933 to February 18, 1941—third secretary, second secretary, Consul, London. 1935–1941—Special representative of Treasury Dept. for Stabilization Fund Operations. April 9, 1941 to June 4, 1942—special duty, Dept. of Commerce. 1942—Member of Advisory Committee on Trade Policy in relation to Lend-Lease Program. June 4, 1942 to July 29, 1942, second secretary, Lisbon, Director General, United States Commercial Co., Madrid. July 29, 1942 to March 28, 1944—first secretary, Madrid. 1943, Member of staff of North African Economic Board. March 28, 1944 to January 2, 1945—Chungking. Sept. 15, 1947—Director, Office of Far Eastern Affairs. November 10, 1947—Career Minister.

(b) Correlation Committee

Staff group for correlation committee

Chief: Charles P. Kindleberger, Department of State. Position: Acting as adviser to Director of Office of Financial and Development Policy, P–8. Age: 37. Degrees: A. B., economics; M. A., Ph. D. Experience: Economic analyst, Treasury Department, June–September 1936; foreign statistician and foreign analyst, Federal Reserve Bank of New York, 1936–39; economist, Bank for International Settlements, Basle, Switzerland, 1939–40; associate economist, Federal Reserve System, 1940–42; chief, military supplies, Office of Strategic Services, Washington and London, 1942–43; United States Army, overseas service, major, 1943–45; appointed to Department of State, adviser on British Commonwealth financial affairs, 1945–46; Chief of Division of German and Austrian Economic Affairs, 1946.

Members: Harold R. Spiegel, Department of State. Position: Chief, Division of Financial Affairs, P–8. Age: 37. Degrees: B. A., M. A. Experience: Research assistant, 1936–39; senior economic analyst; 1939–42, Treasury Department; detailed to American Economic Advisory Mission to Venezuela, 1939–40; American Technical Mission to Cuba, 1941–42; United States Naval Reserve, April–August 1942, lieutenant (junior grade); appointed senior economic analyst at London, 1942; economist in Department of State, 1944; assistant chief, Division of Financial Affairs, 1945; acting chief, Division of Financial Affairs, 1946.

William T. Phillips, Department of State. Position: Adviser on supplies, P–8, International Resources Division. Age: 38. Degrees: A. B., Ph. D. Experience: Assistant professor of economics, University of New Hampshire, 1940–42; State price economist, Bureau of Labor Statistics, May–September 1942; business economist, Office of Price Administration, 1942–43; appointed division assistant in Department of State, 1943; chief of agricultural materials section, Commodities Division, 1944; participant in explanatory talks on postwar rubber problems, London, 1944; special assistant on commodity policy, Commodities Division, 1945; detailed to second meeting, Rubber Study Group, London, 1945; alternate, United States delegate, third meeting, International Rubber Study Group, The Hague, 1946.

William Bray. Position: Commodity Specialist (Foods) P–6. . Age: 34. Degrees: A. B., M. A. Experience: Inventory controller with wholesale shoe firm, 1932–35; member of economic staff, Brookings Inst., 1938–39; instructor in economics, Cornell U., 1939–43; economist, National Defense Advisory Commission, 1940; editorial asst. for economic magazine, 1941–43; policy asst., OPA, Feb.-Aug., 1943; U. S. Army, 1943–45, lt. and officer of Strategic Services, 1944–45; transferred to Dept. of State as economist, P–5, Oct. 1, 1945; commodity specialist P–6, Aug. 1946; asst. to economic adviser U. S. delegation, meeting of deputies, Council of Foreign Ministers, London, 1946; meeting of the Council of Foreign Ministers, Paris, 1946, and Paris Peace Conference, 1946.

Harlan P. Bramale. Position: Commodity Specialist (Agricultural Materials), P–5. Age: 38. Degrees: A. B., M. A. Experience: Instr., Coll. of City of N. Y., 1939–41; U. of N. H., 1941–42; economist, Treasury Dept., 1942; War Production Board, 1942–43; U. S. Navy, 1943–46, lt., overseas service; appointed commodity specialist, International Resources Division, Dept. of State, April 1946.

Wilfred Malenbaum. Position: Chief, Division of International Functional Intelligence, P–8. Age: 34. Degree: A. B., M. A., Ph. D. Experience: Inst. of econs., Oslo, 1938, Harvard 1938–41; econ., OPA, 1941; Chief of Food and Agri. Sec., Office of Strategic Services, 1941–45; transferred to Dept. of State as special asst. to Director, Office of Intelligence Coordination and Liaison, 1945; techn. consultant, Meeting on Urgent Food Problems, UN Food and Agriculture Org., Washington, 1946; Acting Chief, Division of International Functional Intelligence, July 1, 1946.

Ben T. Moore. Position: Assistant Chief in Charge of European Branch, Division of Commercial Policy, P–7. Age: 35. Degrees: A. B., M. A. Experience: Econ. Dept. of Agri., 1939–43; War Production Board, 1941–43; economic adviser, Combined Munitions Assignments Bd., 1943; U. S. Army, 1943–45, 1st lt.; appointed asst. adviser (Japanese Econ. Affairs), Dept. of State, 1945–46; asst. chief for Korean Econ. Affairs, Div. of Japanese and Korean Econ. Affairs, June 1946–November 1946.

Robert W. Tufts. Position: Country Specialist, P–5, Division of Commercial Policy. Age 32. Degrees: A. B., M. A. Experience: Assistant to production manager for manufacturing co., 1935–37; statistician for telegraph company, 1937–38; research assistant, 1942–43; economist, Office of Strategic Services, 1943–45; United States Army, 1934–45; appointed to Department of State, country specialist (commercial policy), October 1945.

(b) Correlation Committee

Chairman: Charles H. Bonesteel, Department of State. (See Advisory Steering Committee.)

Executive Secretary: Col. Sidney F. Giffin, War Department. Position: Dept. of the Army General Staff, plans and operations. Age: 40. Degrees: B. S. and M. A. Experience: Chief of Staff, State-War-Navy Coordinating Committee and Operations Division, Army General Staff Political Military Affairs. He is member, Council on Foreign Relations. Assigned to P & O, 1945. P & O Army, interest UNO on military staff committee.

Secretary: Stanley L. Phraner, Department of Commerce. Position: Economic information exchange advisor, CAF–15. Age: 53. Degrees: A. B. and M. A. Experience: United States executive secretary, Combined Production and Resource Board. WPB experience supervising priority actions; served as chairman of interdepartmental WPB clearance committee. Formerly editor, Wall Street News, and managing editor, New York News Bureau Association.

Members: Paul H. Nitze, Department of State. (See advisory steering committee.)

Frank A. Southard, Treasury Department. (See advisory steering committee.)

Thomas Blaisdell, Department of Commerce. (See advisory steering committee.)

Alternates: Lincoln Gordon. (See advisory steering committee.)

John M. Cassels, Department of Commerce. Position: Chief, British Commonwealth Division, P–8. Age: 46. Degrees: B. A. and Ph. D. Experience: Lecturer and ass't prof., political economy, Univ. Alberta, 1927–30; instr. & asst. prof. econ., Harvard Univ., 1931–38; dir. of Inst. of Consumer Education, Stephens College, 1938–40; asst. to consumer commissioner on National Defense Commission, 1940–41; asst. admin. Consumer Div., OPA, 1941–43; Spec. Asst. to Dir. Agri. programs; Rehab. and UNRRA, 1943–44; Chief, Supply Analysis Div. ofc. of food programs, FEA, 1944–45; Asst. Exec. Dir. Victory Food Coll. Overseas Rlf.

(c) Organization and Administration Committee

Chairman: Lincoln Gordon (see Advisory Steering Committee on European Recovery Program).

Executive Secretary Herman Pollack, Department of State. Position: Management Analyst, CAF–13, Division of Organization and Budget. Age: 28. Degrees: B. S. Experience: Fellow, Department of Government, College of City of New York, 1940–41;

personnel officer, Office of Price Administration, 1942–43; United States Army, 1943; personnel officer, War Shipping Administration, 1943–44; Chief, Planning and Analysis Division, Foreign Economic Administration, 1944–45; field placement officer, Office of Price Administration, 1946. Appointed to Department of State, October 1946.

Secretary: John L. Kuhn, Department of State. Position: Committee Secretariat Officer, P–4; Executive Secretariat, Office of the Secretary. Age: 34. Degrees: A. B., M. A. Experience: Teacher, Tamalpais School, San Raphael, Calif., 1939–40; teacher, Indian Mountain School, Lakeville, Conn., 1940–41; teacher, St. Marks School, Southboro, Mass., 1941–42; United States Navy, overseas service, lieutenant, 1942–46; instructor-supervisor, United States Veterans' Administration, Hines Hospital, Illinois, May–July 1946; appointed to Department of State, Office of the Secretary, Assistant to Special Assistant, 1946–47.

Vice chairman: Arthur A. Kimball, Department of State. Position: Special Assistant to Assistant Secretary of State for Administration, CAF–15. Age: 39. Degrees: A. B., LL. B. Experience: Business specialist, Bureau of Foreign and Domestic Commerce, 1928–34; Assistant Deputy Administrator, National Recovery Administration, 1934–36; Chief, Fiscal Standards Section, Bureau of Employment Security, Social Security Board, 1936–42; Executive Officer, War Dept., Budget Office, 1942–45, Lt. Col.; Chief of Administration, Office of U. S. Chief of Counsel, Nurnberg, Germany, 1945–46, Lt. Col.; Industrial Relations Consultant, Readjustment Allowance Service, Veterans' Administration, December 1946–May 1947; transferred to Department of State, May 22, 1947. Member American Bar Association.

Members: Thomas J. Lynch (see Advisory Committee, European recovery program).

Nathan Ostroff, Department of Commerce. Position: General counsel, office of International Trade. Age: 37. Degrees: A. B., LL. B. Experience: Held legal positions in the Government continuously since 1935, including Solicitor's Office, Department of Agriculture, and assistant to general counsel, Board of Economic Warfare, and later Foreign Economic Administration, concerned with foreign procurement and lend-lease activities. Considerable specialization in the legal aspects of public administration, fiscal and contracting problems in the international field.

Thatcher Winslow, Labor Department. Position: Administrative officer, CAF–15, office of Secretary. Age: 40. Degree: A. B. Experience: Six years, U. S. Department of Labor, administrative officer, Office of Secretary; Deputy Administrator, Wage and Hour and Public Contracts Divisions; 1 year, Council on Foreign Relations, research and editorial; member, Economic and Social Council, United Nations; Department of Labor advisor to U. S. delegation, United Nations; alternate member, Board of the Foreign Service; alternate, Executive Committee on Economic Foreign Policy; Department of Labor representative, International Social Policy Committee; substitute U. S. representative to I. L. O. governing body meetings.

Dan H. Wheeler, Department of the Interior. Position: Assistant Director, program staff, CAF–15. Age: 53. Degree: LL. B. Experience: Clerk, Veterans' Bureau, September 1919 to August 1923; Chief of Purchasing Section, Veterans' Bureau, August 1923 to August 1924; expert in operation of mechanics lien laws, National Bureau of Standards, Department of Commerce, August 1924 to July 1933; Public Works Administration, administrative attorney; assistant to the director, legal division, July 1933 to February 1936; associate director, Projects and Statistics Division, February 1936 to July 1938; Director, Projects and Statistics Division, July 1938 to June 1939; Department of the Interior, assistant director, and then Director, Bituminous Coal Division, July 1939 to August 1943; Assistant Deputy Solid Fuels Administrator for War, August 1943 to November 1945; Deputy Solid Fuels Administrator for War, November 1945 to June 1947; consultant, June 1947 to October 1947; Assistant Director, Program Staff, October 1947 to present.

J. Burke Knapp (see Advisory Steering Committee on European Recovery Program).

W. Carroll Hunter, Department of Agriculture. Position: Attorney (solicitor), P–8. Age: 61. Degree: LL. B. Experience: Member of Maryland Bar since 1911; 1913–15, associate in law offices of Haman, Cook, Chestnut & Markell; 1916–17, private law practice; 1937 to present, employed in the Department of Agriculture, Office of the Solicitor, in the following positions: Attorney, Assistant Solicitor in Charge of Litigation, Associate Solicitor on Litigation, and since 1946 as Solicitor of the Department of Agriculture.

Lt. Col. John P. Buehler, O19374, Army. Age 37: Degrees: B. S., M. S. Experience: Administrative and organization experience in higher headquarters of the Army, i. e., 4th Army, ASF, GHQ, SW Pacific and Far East Command, SSUSA—for 6 years.

Alternates: Joseph A. Frank, Department of State. Position: Foreign Affairs Specialist, P–7, Disarmament and Security Policy. Age: 33. Degrees: A. B., M. A., Ph. D. Experience: Teaching fellow, Vanderbilt University, 1938–39; statistician, Tennessee Unemployment Compensation Division, 1938–39; instructor in economics, Vanderbilt University, 1939–40; statistician, Tennessee Unemployment Compensation Division, 1939–41; director, research and statistics, Federal Security Agency, Social Security Board, U. S. Employment Service, 1941–42; United States Army, 1942–46, Lt. Col., overseas service; economist, War Department, July–Oct. 1946.

Arthur G. Stevens, Department of State. Position: Special Assistant, CAF–15, Office of the Under Secretary for Economic Affairs. Age: 35. Degrees: B. A. Experience: Assistant secretary to Member of Congress, 1934–35; assistant to executive secretary, Central Statistical Board, 1935–38; assistant to Commissioner, Bureau of Labor Statistics, 1938–41; assistant to economic adviser for the White House, 1941–42; Chief of Transportation Division, Combined Chiefs of Staff, 1942–45; budget examiner, Bureau of the Budget, 1945–46; assistant to Assistant Secretary of State for Economic Affairs, Department of State, April 1946; executive assistant, Office of the Assistant Secretary of State for Economic Affairs, October 1946; special assistant, Office of the Under Secretary for Economic Affairs, March 1947.

Wayne G. Jackson, Department of State. Position: Special Assistant to the Director of the Office of European Affairs, P–8. Age: 42. Degrees: B. S., LL. B. Experience: General practice of law with Carter, Ledyard & Melburn, New York City, 1929–41; assistant in the Division of Foreign Activity Correlation, April 1941–September 1941; head attorney in the WPB, October 1941–September 1943; Deputy Chairman, Committee on Supplies, State Dept. and FEC, Sept. 1943–Mar. 1944; Mar. 1944 to present with the Department of State, serving in several responsible positions, including the positions of Adviser on War Production Board Requirements, Deputy Director of the former Office of Wartime Economic Affairs, Associate Chief of the former War Areas Economic Division, and later an area Adviser to this Division as Adviser on Emergency Economic Organizations, July 1946 to December 1946, in which position he also served as official point of contact between the Department and the U. S. Delegation to the Emergency Economic Committee for Europe and the European Coal Organization.

Walter S. Surrey, Department of State. Position: Deputy Assistant Legal Adviser for Economic Affairs, P–8. Age: 32. Degrees: B. S., LL. B. Experience: Sept. 1939 to Jan. 1940, employed as research assistant in law firm of Lord, Day and Lord, New York; January 1940 to September 1941, attorney for the Department of Justice; September 1941 to February 1943, with Board of Economic Warfare as an attorney; February 1943 to November 1945, with Foreign Service Auxiliary, Stockholm, Sweden; Chief of former Division of Economic Security Controls, 1945–47; Deputy Assistant Legal Adviser for Economic Affairs, December 1947.

Joseph B. Friedman, Treasury Department. Position: Assistant General Counsel. Age: 37. Degrees: J. D. Experience: Employed in the Office of the General Counsel, U. S. Treasury, since October 1935, with exceptions noted. From 1935 to April 1942 served as attorney; April 1942–January 1944, Technical Adviser to the Minister of Finance of Ecuador on loan from the Treasury; January 1944 to January 1945, Assistant Executive Director of the War Refugee Board, on loan from the Treasury; January 1945 to present, Assistant to the General Counsel and then Assistant General Counsel, legal adviser to the Secretary of the Treasury at the first and second annual meetings of the Boards of Governors of the International Monetary Fund and Bank; presently Legal Adviser to the Director, Office of International Finance, Treasury, with the operating title of Chief Counsel, Office of International Finance.

Daniel L. Goldy, Department of the Interior. Position: Special Assistant to the Assistant Secretary, CAF–14. Age: 32. Degrees: B. A. Experience: 1936–37, Consultant on Social Insurance, American Public Welfare Assn.; 1938–41, Lecturer, Northwestern University, also Executive Secretary of Illinois Board of Unemployment Compensation, Free Employment Office; 1937–41, Executive Assistant, Illinois Division of Placement and Unemployment Compensation; 1941–42, Assistant Regional Director, Office of Defense Health and Welfare Services; 1942–43, Assistant to Regional Director, War Manpower Commission; 1943–46, United States Naval Reserve, Lt.; 1946–47, Special Assistant to the Deputy Director, USES, Department of Labor; 1947 to present, Special Assistant to the Assistant Secretary of the Department of the Interior.

(d) Legislative Drafting Committee

Chairman: Ernest A. Gross, Department of State. Position: Legal Adviser for Department of State (position unclassified, Presidential appointment, $10,000). Age: 41. Degrees: B. S. (Harvard), LL. B. (Harvard); graduate work at Oxford University, Sorbonne University, and Geneva School of International Studies. Experience: Assistant to the Legal Adviser, Department of State, 1931–33; Division Counsel for National Recovery Administration, 1933–34; General Counsel, National Graphic Arts Commission, 1934–35; Associate Counsel, National Association of Manufacturers, 1935–38; Associate General Counsel, National Labor Relations Board, 1938–41; Lt. Colonel, Civil Affairs Division (primary responsibility in the War Department for economic policies to be followed by the United States Army in its conduct of civil affairs in liberated areas and the operation of Military Government in occupied enemy areas) 1943–46. Has traveled extensively on the continent and resided for various periods of time in England, France, and Switzerland; was admitted to membership in the Middle Temple of the Inns of Court in London; was on staff of Geneva School of International Studies, engaging in lecture and seminar work in International Law, Government and Economics.

Members: Thomas J. Lynch, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Adrian Fisher, Department of Commerce. Position: Solicitor, P–8. Age: 34. Degrees: A. B.; LL. B. Experience: Before the war served as attorney on the staffs of the Secu-

rities and Exchange Commission, the Bonneville Power Administration, and the Tennessee Valley Authority; also a member of staff of Mr. Dean Acheson when Mr. Acheson was Assistant Secretary of State for Economic Affairs. At the close of the war served as special adviser to Mr. Francis Biddle at the Nuremberg war criminals trial; also served as secretary to the Allied Commission that negotiated the agreement on African bases with the French Commission on Liberation; as Solicitor of Department of Commerce, served as special adviser on the President's Advisory Commission for the Marshall Plan; is a member of the Legal Subcommittee of the Air Coordinating Committee.

Mastin G. White, Department of the Interior. Position: Solicitor, P-9. Age: 47. Degrees: A. B. (New Mexico State Teachers College), LL. B. (University of Texas), LL. M. (Columbia University), S. J. D. (Harvard University). Experience: Law clerk in Court of Criminal Appeals of Texas, 1925-27; Assistant County Attorney for Smith County, Tex., June 1927 to September 1929; Associate Professor of Law, University of Texas, July 1930 to August 1932; Brandeis Research Fellow at Harvard University, September 1932 to June 1933; Special Assistant to the Attorney General of United States, October 1933 to September 1935; Solicitor, Department of Agriculture, September 1935 to March 1942, when he was ordered to military duty in U. S. Army. As Lieutenant Colonel in the Judge Advocate Section, he was a judge at the Lichfield trials in Germany. Solicitor, Department of the Interior, July 1946 to present.

W. Carroll Hunter, Department of Agriculture. (See Organization and Administration Committee.)

Jeter S. Ray, Department of Labor. Position: Associate Solicitor, P-8. Age: 39. Degrees: A. B., LL. B. Experience: U. S. Department of Labor, Associate Solicitor, Assistant Solicitor and Regional Attorney 8 years; private law practice 8 years.

Maj. Gen. Thomas H. Green, Department of the Army (replaced by Brig. Gen. Ernest M. Brannon).

Brig. Gen. Ernest M. Brannon, Department of the Army. Position: Assistant Judge Advocate General. Age: 52. Degrees: B. S., LL. B. Experience: Army officer since 1918 with service in the Judge Advocate General's Department since 1930; Instructor in Law, U. S. Military Academy, 1926-30; Planning Branch, Office of Assistant Secretary of War, 1933-35; Assistant to Second Corps Area Judge Advocate, 1935-38; Office of the Judge Advocate General, War Dept., 1938-42; part-time Professor of Law, Georgetown University, 1942-43; Chief, Contract Division, the Judge Advocate General's Office, War Dept., 1942-43; Judge Advocate, First Army, 1943-45; Procurement Judge Advocate, War Department, 1945-47.

Hudson B. Cox, Department of the Navy. Position: General Counsel (attorney-adviser) P-8. Age: 37. Degrees: A. B. (Stanford University), LL. B. (Harvard Law School). Experience: General practice of law, Newlin & Ashburn, Los Angeles, California, 1935-43; Office of the General Counsel, 1943 to date; (Lieutenant, USNR, 1943-46).

George B. Vest, Board of Governors of the Federal Reserve System. Position: General Counsel. Age: 52. Degrees: B. A.; B. L. Experience: Board of Governors of the Federal Reserve System since October 30, 1922.

Wade H. Skinner, United States Maritime Commission. Position: General Counsel (position unclassified, $10,000). Age: 62. Degrees: LL. B., LL. M. Experience: 1910-22: Labor Department—law clerk; law officer, child labor law; Asst. Director, Organization Division, United States Employment Service (assisted in developing the organization of the United States Employment Service to recruit workers for World War I); Assistant Director (General) Employment Service. 1922 to present: United States Shipping Board, United States Maritime Commission—Attorney; Asst. General Counsel; General Counsel.

Hawthorne Arey, Export-Import Bank of Washington. Position: Executive Vice President. Age: 42. Degrees: LL. B. (Grinnell College, University of Nebraska, Creighton University). Experience: General practice of law, corporate and financial, 1930-34; Legal Staff, Reconstruction Finance Corporation, 1934; legal staff, general litigation, Home Owners' Loan Corporation, 1935-38; Secretary and Counsel, Export-Import Bank, 1938-42; Vice President and Assistant General Counsel, 1943; Member of Board of Trustees, 1943-45; Vice President and General Counsel, 1944-46; Executive Vice President, 1947. Technical Adviser to United States Delegation, United Nations Monetary and Financial Conference, Bretton Woods, N. H., 1944. Representative of the bank for a number of years on various interdepartmental committees. In connection with business of Export-Import Bank has traveled in Central and South America, Europe and Canada.

Alternates: Walter S. Surrey, Department of State. (See Committee on Organization and Administration.)

Michael H. Cardozo, Department of State. Position: Attorney-adviser (Office of the Legal Adviser) P-8. Age: 37. Degrees: A. B.; LL. B. Experience: Attorney in private practice, 1935-38; Securities and Exchange Commission, 1938-40; Department of Justice, 1940-42; Office of Lend-Lease Administration in Turkey, 1942-43; Foreign Economic Administration, 1943-45; transferred to Department of State as Director of Legal Division, Office of Foreign Liquidation, 1946-47; transferred to Division of Lend-Lease and Surplus, War Property Affairs, March 1947; assigned to Office of the Legal Adviser, September 1947.

Robert E. Eichholz, Department of State. Position: Attorney, P-8 (WAE consultant), Office of the Legal Adviser. Age: 36. Degrees: Lic (Lausanne); A. B.; LL. B. Experience: Attorney, United States Treasury Department, 1937-40; Chief, Tax Certification, National Defense Advisory Commission, 1940-41; Assistant Tax Legislative Counsel, United States Treasury Department, 1941-42; consultant, Civilian Production Administration, 1945-46; Department of State, October 1947.

Joseph B. Friedman, Treasury Department. (See Committee on Organization and Administration.)

Elting Arnold, Treasury Department. Position: Attorney, P-8. Age: 35. Degree: LL. B. Experience: Law clerk with Root, Clark, Buckner & Ballantine, New York, 1937-39; attorney, Treasury Department, 1939 to present. Assisted in drafting proposals for creation of International Bank for Reconstruction and Development and International Monetary Fund; attended United States Monetary Conference at Bretton Woods; adviser to United States delegate to Inter-Allied Reparations Agency in Brussels, Belgium; negotiated agreement for unblocking Swedish assets in the United States and in other representation of Foreign Funds Control in Sweden, Netherlands, Belgium, and Switzerland. Since August 1947 has acted in the place of the Assistant General Counsel in the latter's absence.

Clifford J. Hynning, Treasury Department. Position: Attorney, P-6. Age: 34. Degrees: Ph. D.; J. D.; LL. M. Experience Special agent with Department of Commerce, 1938-40, working on matters of business taxation; with Office of Price Administration, 1940-43, first as economic analyst and later as enforcement attorney. Attorney in Treasury Department, 1943 to present, working on matters pertaining to occupied areas. (Detailed to Army as civilian and stationed in England, France, and Germany, February to October 1945.)

Nathan Ostroff, Department of Commerce. (See Committee on Organization and Administration.)

John P. Brown, Department of Commerce. Position: General Counsel, Office of Material Distribution, P-8. Age: 54. Degrees: A. B. (Harvard College), LL. B. (Harvard Law School). Experience: Admitted to New York bar 1920. Employed as law clerk in New York office for 3 years. Admitted to Illinois Bar in 1924. Corporation, trial, and appellate practice for 10 years with firm of Cutting, Moore & Sidley. Special Assistant to General Counsel of Federal Alcohol Administration, 1934-40. Division Counselor and Assistant General Counselor of War Production Board, 1940-45. Solicitor, Civilian Production Administration, 1946-47. Admitted to practice in Supreme Court in 1946. Appointed to present position, Department of Commerce, May 1947.

Felix S. Cohen, Department of the Interior. Position: Associate Solicitor and Chairman, Board of Appeals, P-8. Age: 40. Degrees: A. B. (City College, New York); M. A. (Harvard); Ph. D. (Harvard); LL. B. (Columbia). Experience: Research Assistant for Justice B. L. Shientag, New York City, 1 year; general law practice with Hays, Podell & Shulman, New York City, 1 year; Assistant Solicitor, Department of the Interior, 1933-36; Assistant Solicitor and member, Board of Appeals, 1936-42; (during 1939 on special detail to Department of Justice); Assistant Solicitor and Chairman, Board of Appeals, 1942-43; Associate Solicitor and Chairman, Board of Appeals, 1943 to present.

George E. Cooper, Department of Agriculture. Position: Attorney, P-7. Age: 41. Degrees: LL. B. (Univ. of Texas); also attended San Jose State College and Pacific Lutheran College. Experience: 1929-34, private practice of law in Texas. 1934-37, title attorney with title insurance companies in Texas. 1937 to present, various positions of attorney in Office of the Solicitor, Dept. of Agriculture.

Edward M. Shulman, Department of Agriculture. Position: Attorney, P-8. Age 41. Degrees: LL. B. Experience: 1930-34 engaged in private practice of law in Ohio; 1935-45, occupied various positions as attorney in the Office of the Solicitor, Dept. of Agriculture; 1945 to present, Associate Solicitor in charge of Commodity Credit, United States Dept. of Agriculture.

Kenneth Meiklejohn, Department of Labor. Position: Assistant Solicitor, P-7. Age: 35. Degrees: A. B. (Swarthmore College), LL. B. (Univ. of Wisconsin). Experience: 6½ years with Dept. of Labor as asst. solicitor, principal administrative attorney, principal opinions attorney, and senior review attorney; 5½ years with the United States Department of Interior as assistant solicitor.

Col. James F. Hanley, Department of the Army. Position: Judge Advocate General's Department—executive in procurement division. Age: 44. Degrees: LL. B. Experience: Admitted to bar, 1929; attorney, Office of Judge Advocate General, War Department, 1929-41; asst. executive officer to Military Governor, Territory of Hawaii, 1941-42; Judge Advocate, Hawaiian Dept., 1942-43; Judge Advocate, Fourth Air Force, 1943-45; executive asst. to Procurement Judge Advocate, War Dept., 1945-47.

Ray K. Smathers, lieutenant colonel, Department of the Army. Position: Assistant to Chief, Procurement Division, Office of The Judge Advocate General. Age: 48. Degrees: B. A., LL. B. Experience: Admitted to the bar 1921. Engaged in private practice of law 1921-35. Army Reserve Officer, specialized study in Military Government and International Affairs. Assistant to Fourth Corps Area Judge Advocate, 1935-40. Officer in Charge of Civil Affairs in Puerto Rican and Antilles Departments, 1941-44. Served with

General Staff and Inspector General in European Theater, 1944–45. Chief Legal and Liaison Officer, American Graves Registration Command in Europe 1945–46. Assistant to Procurement Judge Advocate, War Department 1946–47. Assistant to Chief, Procurement Division, Office of The Judge Advocate General 1947–48.

W. H. Peters, Jr. (Colonel, GSC), Department of the Army. Position: Deputy Chief, Policy & Government Branch, Civil Affairs Division. Age: 51. Degrees: B. A., LL. B. Experience: Chief of Legal Section, 12th Army Group; 10 years, Director of Law, City of Knoxville, Tennessee; Chief of Legal Section, CAD, ETO.

Harold B. Gross, Department of the Navy. Position: Attorney Adviser P–8. Age: 39. Degrees: A. B. (Williams College); LL. B. (Harvard Law School). Experience: September 1933–June 1936, Hinckley, Allen, Tillinghast & Wheeler (Law Firm), as Law Clerk. August 1936–June 1937 Social Security Board, Senior Attorney. October 1937–June 1942 Phillips Exeter Academy, Exeter, New Hampshire, English Teacher. June 1942–January 1946, USNR, lieutenant and lieutenant commander, active duty, Naval Air Station, Minneapolis, Minn., Solomon Islands, Okinawa, etc. Jan. 1946–May 1946, Lt. Commander, USNR, Assistant Counsel, Bureau of Aeronautics. May 1946–August 1947, Counsel for Bureau of Aeronautics. August 1947–January 1948, Assistant General Counsel. January 1948 to present, Attorney Advisor, P–8, Office of General Counsel.

Frederic Solomon, Board of Governors of the Federal Reserve System. Position: Assistant Counsel. Age: 36. Degrees: B. S., LL. B. Experience: Practiced law with private firm for 7 months. Board of Governors of the Federal Reserve System since April 9, 1934.

(e) Functional and Commodity Committee

Chairman: Paul H. Nitzee, Department of State. (See Advisory Steering Committee on European Recovery Program.)

Executive Secretary: Glenn H. Craig, Department of State. Position: Asistant to the Under Secretary for Economic Affairs. Age: 38. Degrees: B. A., M. A. Experience: Field Assistant, McGill University, Montreal, 1930–33; graduate asistant, University of Alberta 1933–35; senior assistant economist in charge of Provincial Office, Canadian Department of Agriculture, 1935–39; instructor and tutor, Harvard University, 1937–39; professor, Montana State College, 1939–43; agricultural economist, Office of Distribution, War Food Administration, 1943–44; assistant chief, Requirements and Allocations Control, United States Department of Agriculture, 1944–45; acting director, Production and Marketing Administration, Office of Requirements and Allocations, 1946–47; appointed to Department of State, March 1947.

Secretary: Ronald M. Ayer, Department of State. Position: Reference analyst, executive secretariat, Office of the Secretary. Age: 26. Degree: A. B. Experience: Clerk, Department of State, 1940–42; United States Navy, overseas service, ensign, 1942–46; reference analyst, Central Secretariat, Department of State, 1946.

Members: Membership consisted of the chairmen of individual commodity committees which follow:

1. Food and agriculture

Chairman: Fred Northrup, Department of Agriculture. (See Advisory Steering Committee on European Recovery Program.)

Secretary: Murray Thompson, Department of Agriculture. Position: Price analyst (P–7). Age: 45. Degrees: A. B., mathematics; M. S., mathematics, economics, and statistics; Ph. D., mathematics and economics. Experience: 1935–37, extension specialist in economics, University of California, Berkeley, 1937–43, served as Chief of the Economics Section, Agricultural Adjustment Agency; 1943–46, Assistant Director, Western Division, Agricultural Adjustment Agency; 1946 to present, price analyst, Production and Marketing Administration.

Members: W. J. Garvin, Department of the Army. Position: Business economist (Asst. Chief, Food Branch, Office of the Food Administrator for Occupied Areas). Age: 33. Degrees: B. A., M. A., Ph. D. All in economics (doctoral dissertation on dairy industry). Committees: (a) Western Germany Committee (Dept. of State), October 47 to date; (b) Commodity Committee on Food and Agriculture (interdepartmental committee) October 47 to date; (c) Army representative to Interdepartmental Committees on Allocations. (Grains, fats, and oils, rice, pulses) March 47 to date: (d) Army representative for occupied areas before IEFC, March 47 to date. Employment experience: (a) Advisor to Food Administrator, Department of the Army on budget requirements and programming matters, March 47 to date; (b) presentation and defense of import requirements for occupied areas before IEFC, September to date; (c) food specialist representative at Food and Agriculture Subcommittee of Ruhr Coal Conference (US-UK) October 47. No private advisory work.

V. Lewis Bassie, Department of Commerce. Position: Assistant to the Secretary, Acting Director, Office of Program Planning. Age: 40. Degree: Ph. B. Committees: Interdepartmental Advisors on Industrial Statistics, International Statistics Committee, Subcommittee on International Migration Statistics of the Fed. Com. on International Statistics, Subcommittee of Cabinet Committee on World Food Programs, Procurement Planning Subcommittee of Cabinet Committee on World Food Programs. Experience: Federal Reserve System, 1937–39, Sr. Economist; Commerce Department, 1939–40, Asst. Chief, Industrial Economics Division; NDAC–OPM–WPB, 1940–44, Chief Economist; Chief Production Analyst, Director, Progress Div.; Foreign Economic Administration, 1944–45, Adviser on U. S. Foreign Trade.

Albert Viton, International Emergency Food Council. Degrees: B. A., Ph. D. Position: Assistant Secretary-General, International Emergency Food Council. Experience: 1932, research assistant, State University of Iowa; research in economic history; 1933–38, foreign correspondent—first for newspapers and then for periodical publications, with emphasis on economic developments. Stationed in Germany, the Balkans, Italy, and the Middle East; 1939–41, lecturer and University Fellow, Northwestern University. Lectured on international economic relations, and University Fellow in political theory. Published: Great Britain: An Empire in Transition (John Day, 1940) and American Empire in Asia; 1941, economic analyst, Office of Price Administration, adviser on consumer distribution problems and rationing to Director of Consumer Division. Supervised studies on experience of Britain and other foreign countries on rationing and other distribution programs; 1942, Chief of Commercial Exports Division, Requirements and Allocations Control, Office of Agricultural War Relations; 1944, Chief, Requirements Analysis Division, Requirements and Allocations Control, War Food Administration; December 1944 to April 1945, represented War Food Administration at Mission for Economic Affairs, London, responsible for food negotiations with British Government; August 1945 to November 1946, Assistant Director, Office of Requirements and Allocations, in charge of all requirements for United States food, United States civilian programs, military requirements for all foreign requirements. Participated in the formulation of policies and programs relating to the distribution of other food supplies by the Combined Food Board and, later, by the International Emergency Food Council. Responsible for formulation of requirements for the Production Goals Review Committee. Member of the U. S. delegation to the 4th UNMA Council. Liaison with Office of Price Administration on rationing policy, and with Department of State and with War and Navy Departments on requirements for military feeding and for occupied territories. Member of the Interagency Food Requirements and Allocations Committee, and of the Executive Officers' Committee of the Combined Food Board; December 1946, Assistant Secretary-General, International Emergency Food Council.

Francis A. Linville, Department of State. Position: Assistant Chief of International Resources Division, in charge of Foodstuffs Branch, P–7. Age: 38. Degrees: A. B., M. A., Ph. D. Experience: Instructor in economics, 1934–39, and assistant professor, 1939–40, Dartmouth; member of Research Staff, Council on Foreign Relations, 1940–41; Divisional Assistant, Office of Adviser on International Economic Affairs, 1941–42; Divisional Assistant, Division of Defense Materials, 1942–43; Divisional Assistant, War Commodities Division, September–December 1943; Divisional Assistant, Office of Adviser on Eastern Hemisphere, 1943–44; Assistant to Adviser on Eastern Hemisphere, 1943–44; Assistant to Adviser on Combined Food Board, Supply and Resources Division, 1944–45; Assistant Secretary of Commerce, United Nations Conf. on Int. Org.; San Francisco, 1945; Acting Assistant Chief, International Resources Division, June, 1945; alternate on official Subcommittee of Cabinet Committee on World Food Program, April 1947.

Carleton K. Lewis, United States Tariff Commission. Position: Commodity Specialist—P–6. Age: 55. Degrees: A. B., A. M. Experience: Dealing with problems of international trade in foodstuffs in Agricultural Division of the United States Tariff Commission since 1919; three months in the Tobacco and Beverage Commodity Division of the War Production Board; Military Government Officer in World War II in Africa, Italy, France, and Germany, and Lt. Colonel in United States Army Reserve.

Alternates: Joseph A. Becker, Department of Agriculture. Position: Agricultural Economist, P–8. Age: 56. Degrees: B. S. A., M. S. Experience: 1918–44, employed in the Bureau of Agricultural Economics, Department of Agriculture, in various agricultural statistician positions. 1944–45, employed as International Commodity Specialist in the Office of Foreign Agricultural Relations, Department of Agriculture. 1945 to present, serving as Head of the International Commodities Branch of the Office of Foreign Agricultural Relations, Department of Agriculture.

James P. Cavin, Department of Agriculture Position: Agricultural Economic Statistician, P–7. Age: 42. Degrees: B. B. A., Ed. M., M. A., and Ph. D.—Business Economics, Education, and Economics. Experience: 1930–33, Instructor in Economics, University of Puerto Rico. 1935–36, Fellow, Brookings Institution. 1936–40, Agricultural Economist, United States Department of Agriculture. 1940–41, Economist, National Defense Commission. 1941–43, Economist, Office of Price Administration. 1943–46, Associate Head, Division of Statistical and Historical Research, Bureau of Agricultural Economics. (April to August 1945 on special detail to the United States Strategic Bombing Survey, Germany.) 1946 to present, Head of Division of Statistical and Historical Research, Bureau of Agricultural Economics, Department of Agriculture.

Joseph L. Orr, Department of Agriculture. Position: Executive officer (assistant to the Secretary), CAF–15. Age: 45. Degree: B. S., economics. Experience: 1946 to present, assistant to Secretary, Department of Agriculture. 1945–46, Chief, Production Policies and Programs Section, Food and Agriculture Branch, Economics Division, Office of Military Government for Germany, War Department. 1944–45, Assistant Chief in Charge of Planning and Developing, Agricultural Ad-

justment Agency, Department of Agriculture. 1942–44, Assistant Director, Division of Special Programs, Agricultural Adjustment Agency. 1938–41, occupied various statistician positions in the Agricultural Adjustment Agency. 1938–41, occupied various statistican positions in the Agricultural Adjustment Agency. 1930–38, agricultural statistician, Bureau of Agricultural Economics, Department of Agriculture. 1927–30 assistant and associate crop and livestock estimator, Bureau of Agricultural Economics (field service), Department of Agriculture. 1923–27, statistical clerk and statistician, Bureau of Agricultural Economics, Washington, D. C.

Francis M. Rhodes, Department of Agriculture. Position: Assistant to the Administrator, PMA, DA–23, Department of Agriculture. Age: 40. Degrees: A. B., economics; LL. B. Committee: Food and Agriculture. Experience: 1946 to present, assistant to the Administrator, Production and Marketing Administration. 1945–46, Chief, Commercial Export Section, Production and Marketing Administration. 1943–45, agricultural economist, Production and Marketing Administration. (Military furlough, U. S. N. R., October 1942–November 1945.) 1942–43, agricultural economist, Office of Agricultural War Relations. 1934–42, occupied clerk and various economist positions in the Agricultural Adjustment Agency, Department of Agriculture.

Leon B. Taylor, Department of Agriculture. (See Committee on Agricultural Machinery).

Charles E. Lund, Department of Commerce. Position: Chief, Food Stuffs Division—P–7. Age: 62. Degrees: None. Experience: Twenty years in the Food Business prior to coming into the Department of Commerce where I have been in the Food Stuffs Division for over 15 years. I spent 15 years in the Meat Packing business, largely with Armour and Company, in charge of processing and distribution, and in the plants where they produce pork products, and at the outlet desk where they determine price and sales of pork products. For 5 years I was in charge of meat operations of chains of meat stores in the Metropolitan area of New York City.

Observer: Robert L. Oshins, The White House. Position: Executive Secretary, Cabinet Food Committee. Age: 33. Education: Escanaba (Michigan) Public Schools, the University of Chicago, 1931–35—A. B., the Law School; Maxwell School of Public Affairs, Syracuse University 1936–38. Experience: U. S. Dept. of Agriculture: (1) Office of the Secretary 1939–41; (2) Surplus Marketing Administration 1941–42; (3) Office of Requirements and Allocations 1946. (Duties: (1) Organization, procedures, and personnel work; (2) Development of procedures for Lend-Lease food program; (3) Analysis of Foreign food requirements). Member Harriman Mission—Mission for Economic Affairs, U. S. Embassy, London 1942–44. (Duties: (a) In charge Lend-Lease food and agriculture program to U. K.; (b) Represented U. S. on various international committees, analyzing post-war food requirements). U. S. Navy, 1944–46. (Duties: (1) 1944–45 Food and Agriculture Branch, G–5, SHAEF and Mil. Govt. Section XXII Corps. (2) 1945–46 on detail as Executive Secretary, Food and Agriculture Committee, Emergency Economic Committee for Europe).

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November 1947: Karl A. Fox, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff.

2. Fertilizer

Chairman: William G. Finn, Department of Agriculture. Position: Deputy Assistant Administrator of Production and Marketing Administration. Age: 48. Degree: M. S. in agricultural economy, agronomy, and animal husbandry. Experience: 1924–36, entered service in AAA, agricultural research field. Came to Agriculture Department as economist, experience in tobacco, sugar, rice, and peanuts. Became head economist. Served as assistant division director for one of the four regional divisions. Experience has included in all jobs, agricultural conservation, use of fertilizer as one of the principal things with which the AAA dealt. 1936–48, Agriculture. Work has been at all times directly and indirectly connected with the development, production, and distribution of fertilizers.

Secretary: William F. Watkins, Department of Agriculture. Position: Agriculturist. Age: 47. Degrees: B. S., agriculture; M. S., crops and soils. Experience: 1936–39, agronomist for United States Department of Agriculture; Soil Conservation Service, and Iowa Agricultural Extension Service. 1939–43, soil conservationist with Bureau of Agricultural Economics. 1943–44, agriculturist (head) in War Food Administration, Office of Materials and Facilities, working on development of distribution and use programs for fertilizer materials. 1944–45, chief Feed Crops Division of Office of Production, WFA. 1945–46, head of agronomy branch of Shrivenham American University of War Department. 1946 to present, chief, fertilizers section, Materials and Equipment Branch of Production and Marketing Administration.

Members: Kenneth D. Jacob, Department of Agriculture. Position: Chemist. Age: 51. Degrees: B. S. and M. S., chemistry. Experience: Continually in United States Government service since 1918 with service as chemist in War Department from 1918–21. 1921 to present, employed by Department of Agriculture occupying positions of chemist, P–1 through P–6 successively, with assignments of research in fertilizer technology throughout entire employment. Author of over 100 published papers and two patents on fertilizers.

C. K. Horner, Department of Commerce. Position: Foreign trade analyst. Age: 41. Degrees: B. S., chemistry; M. A., botany. Experience: November 1925–March 1926, Interstate Commerce Commission. March 1926–June 1926, Agriculture Department, District of Columbia, library aid; June 1926–November 1929, Labor Department, District of Columbia. Under file clerk and junior file clerk, November 1929–May 1936, Agriculture Department, District of Columbia, junior and assistant scientific aid. May 1936–July 1942, Agriculture Department junior chemist. Employed in Bureau of Foreign and Domestic Commerce since July 16, 1942, as junior economic analyst, economic analyst, foreign-trade analyst.

Henry M. Pauley, Department of State. Position: Commodity specialist (chemicals), International Resources Division. Age: 33. Degree: B. A., chemistry. Experience: Assistant chemist, H. Kohnstamm & Co., Inc., 1931–35; head of service laboratory, H. Kohnstamm & Co., Inc., 1935–40; sales representative, H. Kohnstamm & Co., Inc., 1940–42; assistant chief, Foreign Requirements Unit, War Production Board, 1942–44; chief, Foreign Requirements Unit, War Production Board, 1944–45; appointed to Department of State, November 1945.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Karl A. Fox, Harriman committee staff; Maynard Jenkins, Harriman committee staff consultant (chemical committee); John Kerr Rose, House Select Committee on Foreign Aid staff.

3. Agricultural machinery

Chairman: William L. Beck, Department of Commerce. Position: Acting Chief, Machinery Section, Office of Domestic Commerce, Bureau of Foreign and Domestic Commerce. Age: 55. Degree: E. M. in mining engineering. Experience: 1942–1948, Commerce Department; 4 years Assistant Chief of Machine and Motive Products Division, Office of International Trade and the Bureau of Foreign and Domestic Commerce; 1925–1942, sales manager, eastern United States, for mining and construction machinery manufacturers. South American sales manager, 2 years, construction machinery and mining machinery manufacturers; sales and export manager for agricultural machinery manufacturers; prior to 1925, 1914–1924, mining engineer. (Two years' officer in U. S. Army Engineers during World War I.)

Secretary: Martin R. Cooper, Department of Agriculture. Position: Agricultural economist, P–6, Department of Agriculture. Age: 61. Degrees: None. Experience: Continuously employed in the Bureau of Agricultural Economics, Division of Farm Management and Costs since 1912. Is responsible for national research projects in farm practices, including the study, analysis, and development of improved farm practices for the efficient utilization of labor, equipment, and farm supplies. These studies include analyses of technological developments and their economic significance to farmers; appraisal of farm-labor efficiency; determination of labor requirements for different crops and livestock; efficiency of various feeding practices for different classes of livestock and the significance of current developments in farm mechanization.

Members: Thomas J. Murphy, Department of Commerce. Position: Economic analyst, P–1 (commodity specialist agricultural equipment and railroad equipment). Age: 34. Degrees: A. B., M. A. Experience: 3½ years, Department of Commerce (2 years international trade work; 1½ years, Bureau of Census), ½ year in Office for Emergency Management; 4 years, stock brokerage office experience. Served with Interdepartmental Committee for Review of Paris Conference Report (subcommittee on agricultural machinery). Review committee of Office of International Trade. Author of articles published in Foreign Commerce Weekly, Domestic Commerce and Industrial Reference Service.

Karl L. Anderson, Department of State. Position: Assistant Chief, International Resources Division, P–7. Age: 42. Degrees: B. Sc. (economics); M. A., Ph. D. Experience: Instructor in economics, Harvard University, 1930–1934; assistant and associate professor of economics, Bryn Mawr College, 1934–1942; economic adviser, price executive and section head, Office of Price Administration, 1942–1946; Assistant Chief, International Resources Division, 1946; member of International Tin Study Group; alternate member on materials requirements committee of Army-Navy Munitions Board; alternate member on review committee on Second Decontrol Act.

Alternates: Albert P. Brodell, Department of Agriculture. Position: Agricultural economist, P–5. Age: 52. Degrees: B. S. (dairying, farm management). Experience: Since 1938 has been in charge of many studies, Nation-wide in character, relative to number, age, and size and duty of farm machines. Also has carried on Nation-wide studies relative to methods and machines used in the production of farm products. During war years helped to develop estimates of machines needed for farm purposes and materials needed for producing the machines. Also assisted in developing the program for rationing farm machines.

Roy B. Gray, Department of Agriculture. Position: Agricultural engineer, P–6. Age: 63. Degrees: B. S. (electrical engineering, agricultural engineering). Experience: Since 1931 has been in charge of Division of Farm Power and Machinery, which is concerned with research in the development and use of farm machinery; 1920–24, served as professor

of agricultural engineering at University of Idaho; 1910–20, employed as tractor engineer and farm-machinery expert for International Harvester Company (1910–11 trying out and reporting on performance of experimental tractors operating in U. S. and Canada); 1911, introducing tractors in various foreign countries and reporting on their performance, also introducing and supervising maintenance of power-driven field machinery, primarily in Germany, Rumania, France, Italy, England, and South Africa; 1911–17, in England in charge of tractor assembly depot of I. H. Co. and conducted tractor school for soldiers; 1918, technical adviser to British Army on agricultural tractors in France and for Italian Government.

Erling Hole, Department of Agriculture. Position: Agricultural Economist, P–4. Age: 48. Degrees: Agronom. Landbr. Kand. (in Norway), Agriculture M. S., Economics (Iowa State); Ph.D., Economics, Agriculture (Harvard University). Experience: 1945–48 has been making analyses of income, expenditure, organization and mechanization of commonsized family farms for various types of farming areas. 1942–45 on detail to War Food Administration working on determination of requirements of farm machinery, and organization of State distribution of machinery. 1941, served as secretary of interbureau committee on production machinery.

Leon B. Taylor, Department of Agriculture. Position: Assistant Director, Price Support and Foreign Supply Branch, PMA. Age: 52. Degree: B. S., Agriculture. Experience: 1944, served as administrative officer and later as agriculturist in the Agricultural Adjustment Agency assisting with rationing and allocation of farm machinery, equipment, and other agricultural materials and facilities. Occupied position of Executive Officer as Chief of the Farm Machinery and Supplies Branch of the Office of Materials and Facilities, War Food Administration and as such was responsible for providing adequate distribution of agricultural machinery and equipment to meet the demands of agriculture through national distribution of available supplies, rationing of critical items, educational programs on conservation and use of available equipment and by coordination of manufacture and distribution of machinery, equipment and supplies. 1946 appointed as Director of the Materials and Equipment Branch of the Production and Marketing Administration.

Arthur W. Turner, Department of Agriculture. Position: Assistant Chief, Bureau of Plant Industry, Soils and Agricultural Engineering, P–7. Age: 53. Degree: B. S., Agricultural Engineering. Experience: 1944–present, Assistant Chief, Bureau of Plant Industry, Soils and Agricultural Engineering which initiates and conducts extensive research on farm machinery, farm buildings and housing, and processing of farm products. 1927–44, in charge of educational relations for International Harvester Co. (1941–44 developed and supervised 13 motor mechanics schools under I. H. Co. sponsorship for Royal Canadian Army; 1942–44 developed five schools for Royal Canadian Air Force to train mechanics for maintenance of tractors, engine and equipment; 1943–44 developed and supervised three larger schools (motor mechanics for U. S. Navy); author of numerous published papers on agricultural engineering, many on subject of agricultural machinery usage.

George J. Rothwell, Department of State. Position: Research Analyst, P–4, Division of Research for Europe. Age 33. Degree: B. S. Experience: Economist, Office of Price Administration 1942, War Food Administration 1942–43; United States Army 1943–44; commodity specialist, Foreign Economics Administration, 1944–45; adviser to United States member, Combined Food Board Committee on Seeds, Ottawa, 1944; assistant agricultural adviser in Foreign Service Auxiliary assigned at Moscow, January 3, 1945; at Stockholm, temp., April 12, 1946; at Paris May 23, 1946; assistant agricultural attaché at Paris June 14, 1946; research analyst, Division of Research for Europe, Department of State, 1946.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Karl A. Fox, H. H. Hughes, S. Morris Livingston, Harriman committee staff; Willard Morrison, Harriman committee staff, consultant, Agricultural Machinery Co.; John Kerr Rose, House Select Committee on Foreign Aid staff; Francis O. Wilcox, Senate Committee on Foreign Relations staff.

4. Coal

Chairman: John F. Havener, Department of Commerce. Position: Chairman, U. S. Coal Operating Committee, Office of Materials Distribution. Age: 34. Degree: A. B. Experience: Has been connected with Government regulation of coal for about 8 years. Has been U. S. Secretary of the Combined Coal Committee prior to present position. U. S.-U. K.-Canadian Affairs in allocation of coal. 1942–47, head, Fuels Branch, Office of Civilian Requirements, WPB. 1940–42, Office of Bituminous Coal Consumers Council, Assistant Chief of Research and Economic Division, as part of the administration of the Guffey Coal Act (prices). 1936–40, worked as consultant, employed by one of the large coal companies, Consolidation Coal Company.

Secretary: Louis Lister, Department of State. Position: Commodity specialist, International Resources Division; grade P–5. Age: 33. Degrees: B. S. and M. A. Experience: Economist, War Manpower Commission, 1942; War Production Board, 1942–44; Chief of Metals and Minerals Section, War Production Board, 1944–45; commodity specialist, International Resources Division, Department of State, 1945– ; member of United States Coal Operating Committee.

Assistant Secretary: Fred H. Sanderson, Department of State. Position: Section Chief, Central European Section, Division of Research for Europe; grade P–6. Age: 33. Degrees: B. S., M. A., and Ph. D. Experience: Research associate, Harvard Committee on Research, Harvard University, Nov. 1938–Sept. 1943; economist with Office of Strategic Services, Oct. 1943–Nov. 1945; during this period he analyzed food production, consumption, and requirements of liberated and occupied territories both in Washington, D. C., and in England, France, and Germany; transferred to the Department of State as an economist, Oct. 1945 and was promoted to present position April 1, 1946. He was born in Germany; lived in Germany 19 years and Switzerland 4 years. Educated in Germany and Switzerland but obtained Ph. D. in the United States.

Members: C. Meade Stull, Department of Commerce. Position: Acting Chief, Fuels Division; grade CAF–13. Age: 45. Degree: B. S. Experience: Since Feb. 1945, employed by coal industry for Government dealing with operation of coal mines and production and distribution of coal; 8 years as Fuel Inspecting Engineer for U. S. Bureau of Mines. Holds first-class mine foreman papers in State of Alabama. During life of Coal Mine Adm. served as Chief, Production and Operations Division of that organization.

Thomas W. Hunter, Department of Interior. Position: Chief, Coal Economics Division; grade P–7. Age: 39. Degree: B. S. Experience: Bookkeeper, First National Bank of Springfield, Ill., 1925–29. Assistant to the secretary-treasurer of the Illinois United Mine Workers of America, 1933–1934. NRA: Executive training course, 1934; On special studies for Division of Review; Code adviser, 1934–1935. National Bituminous Coal Commission: Associate statistician, 1935–1936; Acting Chief of Research and Statistical Division, 1936–1937; Examiner, Adm. Statistics Branch, 1937–1938; Chief of the Adm. Statistics Branch, 1938–1939. Department of the Interior, Bituminous Coal Division: Chief of the Adm. Statistics Branch, 1937–1938; Assistant Chief, Economics Branch, 1940–1943; U. S. Naval Reserves, 1943–1946—furlough from B. C. D. Interior: Chief, Economic Analysis Section, Bureau of Mines, 1946; Chief, Coal Economics Division, Bureau of Mines, 1946 to present.

H. M. Preisman, Office of Coordinator. Position: Assistant to Coordinator of Export Program Grade (not a classified position). Age: 42. Degrees: None. Experience: From 1944 to June 1947, Solid Fuel and Administrative Department for War, Department of Interior, handling similar activities as in charge of Transportation for Foreign Movements. Prior to 1944 with Solids Fuels Administration for War, U. S. Bureau of Mines and Bituminous Coal Division and Bituminous Coal Commission, handling distribution of bituminous coal, both distribution and price problems connected with bituminous coal: from July 1, 1937 to 1944. Prior to 1937: August 1935 to July 1937, U. S. Senate Investigating Committees; 1926 to 1935, private business, brokerage business in New York City and Omaha, Nebraska.

Alternates: Ralph L. Trisko, Department of Commerce. Position: Business Economist; Grade P–5. Age: 31. Degrees: B. S. Experience: In charge of Coal Section, Office of International Trade. Attended meetings held in State on the Washington Conversations on European Economic Cooperation Program last year.

Daniel Wheeler, Department of Interior. (See Organization and Administration Committee.)

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November, 1947; C. W. de Forest, Harriman committee consultant (now with gas and electric company); Richard H. Mote, Hector Prud'homme, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid Staff.

5. Mining machinery

Chairman: William L. Beck, Department of Commerce. (See Agricultural Machinery Committee.)

Secretary: Everett Wilcox, Department of Commerce. Position: Acting Deputy Chief, Iron and Steel Section; Grade CAF–13. Age: 52. Degrees: B. S. (Mining Engineering) and B. S. (Foreign Trade). Experience: Mine Superintendent of Copper Mine; Assistant manager of export department of world's largest excavating manufacturer; Head of Equipment Section in Department of Agriculture; Chief of Industrial Machinery Section, FEA.

Members: William H. Myer, Department of Commerce. Position: Assistant Chief, Machinery & Motive Products Branch, Office of International Trade; Grade P–6. Age: 61. Degrees: S. B. Experience: 15 years in machinery industry; 18 years in government service, primarily in reference to production or foreign sales of machinery and equipment.

John W. Buch, Department of the Interior. Position: Mining Engineer, Bureau of Mines; Grade P–6. Age: 48. Degrees: B. S., E. M. and M. S. Experience: in underground surveying gypsum and zinc mining, also worked as special engineer on forecast of production-costs and plans for mechanizing anthracite coal mines, 1923–1930. Mine Foreman, The Hudson Coal Company, 1925–1938. Assistant Professor, Pennsylvania State College, 1938–1942. Department of the Interior: Chief, Economics Division, Bureau of Mines, 1942–1944; Mining Engineer, 1944 to present.

Karl L. Anderson, Department of State. (See Agricultural Machinery Committee.)

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Harold Von Thaden, De-

partment of Commerce; Albert M. Keenan, Harriman committee consultant; S. Morris Livingston, Richard H. Mote, Harriman committee staff; H. R. Wheeler, Harriman committee consultant; Theodore Geiger, House Select Committee on Foreign Aid staff.

6. Electric power committee

Chairman: Thomas Hibbend, Department of Commerce. Position: Foreign Industrial Development Adviser. Age: 54. Degree: Architect in Engineering—Studied in Paris, Oxford; University of Pennsylvania. Experience: General practice in architecture, 1924–34; 6 months Civil Works Administration, Regional Engineer, 1934; Federal Emergency Relief Administration, Chief Engineer; work covered engineering phases of every kind of construction and production activity of the national works program, 1934–35; Resettlement Administration, Associate Director and Technical Adviser in Charge of Architectural Engineering Planning, projects of Suburban Resettlement Division, 1935–37. In Europe in research and study. Wrote a book, Sons of Volcan, a history of metals and metal working, 1937–38; NYA, Consulting Engineer and Director of Planning and Research, 1938–41; own architectural engineering firm designing housing projects, hotels, apartments, and factories; also was in charge of all investigations of all new types of construction for the Federal Works Agency, 1941–42; BEW, Head Construction Engineer in charge of reconstruction and development in the interests of the British, French, and United States armies of French-North African industry and resources, 1942–45; FEA, work involved survey of Austrian industrial conditions formulating plans and making recommendations for the economic rehabilitation of Austria, 1945–46; Commerce Department, Chief, Special Programs Branch, Office of International Trade Policy, in charge of formulating policy with respect to International Trade and Telecommunications, Transportation and Utilities, February–July 1946; Commerce Department, Adviser for Foreign Economic Development, responsible for the creation and promotion of economic interests and development of foreign assets and areas in the international trade of the United States, 1946–48.

Secretary: Wilfred Malenbaum, Department of State. (*See* Staff Group for Correlation Committee.)

Assistant Secretary: M. Gordon Tiger, Department of State. Position: Research Analyst, P–4. Age: 30. Degrees: B. A., M. S. Experience: Editor and publicity writer, 1939–41; occupational analyst, U. S. Employment Service, 1941–42; U. S. Army, Lt., 1942–46; research analyst, Eastern European Economic Section, Division of Research for Europe, Department of State, 1946.

Members: E. Robert de Lucci, Federal Power Commission. Position: Chief, Bureau of Power, P–8 (Uncl.) Age: 43. Degree: Graduated from Massachusetts Institute of Technology in 1927 with B. S. in Civil Engineering with hydroelectric as major option. Experience: Surveyman, Metropolitan Water Supply Commission, Enfield, Mass., 1927–29; engineer-designer, Stone & Webster Enginering Corporation, 1929–31; engineer inspector and designer, U. S. Engineer Office, Charleston, W. Va., 1931–33; Chief, Design Division, U. S. Engineer Office, Huntington, W. Va., 1933–38; Federal Power Commission 1938–1942, as senior engineer consultant on dams and hydroelectric projects, 1938–40; Chief Power Supply Branch, National Defense Power Staff, 1940–41; Assistant Director, National Defense Power Staff and Assistant Chief, Bureau of Electrical Engineering (also consultant on power for OPM and WPB). Served with R. O. T. C., M. I. T., second lieutenant O. R. C., 1927; commissioned captain and advanced through grades to lieutenant colonel United States Army, 1942–45 on duty in Chief of Engineers Office and later as Operations Officer, Engineering Division, S. H. A. E. F., in European Theater. Decorated Europe-Africa-Middle East ribbon with one star, Legion of Merit in World War II. Inactive status as lieutenant colonel, O. R. C. since 1945. Returned to FPC as Chief, Bureau of Power, January 1945. Member of: Technical Industrial Disarmament Committee for German Electric Power Industry and consulted concerning problems of Japanese electric power system; International Conference on Large Electric High-Tension Systems (CIGRE); Technical Working Committee of International Scientific Conference on the Conservation and Utilization of Natural Resources; Society Engineers.

Arthur Goldschmidt, Department of the Interior. Position: Executive Vice Chairman of the Interdepartmental Technical Committee and of the American Tech. Advisory Comm. in connection with the International Scientific Conference for the Conservation and Utilization of Natural Resources, CAF–15. Age: 38. Degree: B. A. Experience: Assistant to President, Emergency Exchange Association, October 1932 to May 1933; Research work on New York relief administration for Columbia University May to July 1933; Acting Director, Professional and Services Projects Division, Works Progress Administration, September 1933, to August 1935; Executive Officer for Senator Wheeler, chairman, Senate Committee on Interstate Commerce, August 1935 to July 1937; Administrative, legislative, research, and organization work on Committee for Industrial Organization, July 1937 to January 1938; Special Agent, Consumer's Counsel, National Bituminous Coal Commission, January to August 1938; Assistant to Director, Power Division, Public Works Administration, August 1938 to May 1940; Special Assistant to Chairman, National Power Policy Committee, May 1940 to August 1941; Assistant to the Director, Division of Power, Interior Department, August 1941 to August 1942; Acting Director, Division of Power, August 1942 to February 1944; Director, Division of Power, February 1944 to September 1947; Executive Vice Chairman of the Interdepartmental Technical Committee and of the American Technical Advisory Committee in connection with the International Scientific Conference for Conservation and Utilization of Natural Resources, September 1947 to present.

Howard Elmore Way, Department of Commerce. Position: Electrical Industry Analyst. Age: 49. Degree: B. S. in Elec. Engr. Experience: Machinist apprentice, Electrician, Lineman, Penna. RR, Jun. 1916 to Jun. 1920; Design, Power plant, Office of Electrical Engineer, Pennsylvania RR, Jun. 1920 to Mar. 1921; Test Engineer, West Penn Power Company, Connellsville, Pa.; Mar. 1921 to Jun. 1921; Chief Clerk, Carpenter, Electrical and Paint Shops, Juaniata Shops, Penn. R. R.—Piecework computation, June 1921 to Aug. 1922; Various to Asst. Chief, Electrical Division, Bureau of Foreign and Domestic Commerce, Aug. 1922 to Oct. 1933; Room Supervisor, Coast and Geodetic Survey, Geodetic, Oct. 1933 to Oct. 1935; Office of Secretary of Commerce in charge design, erection and supervision Department of Commerce exhibits at Chicago, Dallas (World Fairs), etc.; Oct. 1935 to Jan. 1938; Editor, World Electrical Markets, Electrical Division, Bureau Foreign and Domestic Commerce, Jan. 1938 to Apr. 1941; Export-Import Information Division—In charge Electrical Machinery, etc., Apr. 1941 to Oct. 1941; Public Utility & Service Industries Division, in charge Public Utilities Section, Oct. 1941 to Oct. 1942; Machinery and Metals Division, Bureau of Foreign and Domestic Commerce. In charge Electrical Machinery, Oct. 1943; Representative U. S. Department of Commerce, Board of War Communications for International Broadcasting, Oct. 1941 to Oct. 1947; Chairman, Communications Committee, Standard Commodity Classification; Member, Instruments, Furnaces, Electrical Machinery, Lighting Fixtures, Refrigeration Committees, Oct. 1943; Member, Task Group, U. S. Census of Manufactures, Electrical Machinery, etc., Jun. 1945; Representative, Department of Commerce, Glossary Sub-Committee. Interdepartmental River Basins Committee, Mar. 1947; Member Board of Review Division of Liquidation, Department of Commerce—Hear and determine appeals from OPA cases, Sept. 1947; Representative, Department of Commerce, Electrical Supply Committee, Federal Bureau of Supplies, Chairman, Instrument Subcommittee—prepare specification (Federal), Sept. 1943; Representative. Department of Commerce, Krug, Harriman Committees, Marshall Approach Committees, Electrical Machinery and Electric Power Committees, Oct. 1947; Consulting Engineer—Whitehead-Craft Corp. (Structural Material), Sept. 1946; Export—Policy Committee—OIT—Re quotas electrical machinery, 1947.

Ellsworth Joseph Hand, Federal Power Commission. Position: Electrical Engineer (P–5). Age: 46. Degree: B. S. (Electrical Engineering). Experience: Potomac Electric Power Co., 18 yrs. (1923–1941), as a generating station and substation operator. 1 yr. on statistical and insurance work. 1 yr. as night supervisor of entire systems; U. S. Government, 7 years (1941—present); 1941–1943, Federal Power Commission on assignment to WPB Power Branch, acted as concurrence officer for power supply and equipment required for industrial projects, also reviewed foreign power projects; 1943–1947, FEA, which later became Office of International Trade in the Department of Commerce, Chief of Power Section; member of Industrial Commission on U. S. S. R. Lend Lease; requirement commission for WPB Office of War Utilities, staff of section, reviewed applications for export license and priorities for foreign projects and programs, licensing authority on operating and maintenance equipment for utilities; Military service: 1919–23, active duty in U. S. Marine Corps. Rank at expiration of enlistment, Sergeant—Honorable Discharge; 1923–27, Sergeant in the Fleet Marine Corps Reserves on inactive duty; Theta Tau Fraternity and former associate American Institute of Electrical Engineers.

C. E. Bennett, Federal Power Commission. Position: Chief, Division of Electric Resources and Requirements. Age: 59. Degrees: B. Sc. in EE, Univ. of Nebr., 1909; B. Sc. in EE, Univ. of Ill., 1912; Professional EE, Univ. of Ill., 1929. Experience: Westinghouse Electric Co., 1 year; graduate engineer course in design and testing of heavy electrical equipment; Electric Bond and Share Co., 5 years; Hydro Electric plant operator, design and construction, including about 2 years operation; reservoir control and initial operation after construction of Utah Power and Light Company's 3 largest hydro-electric plants; Canadian and General Finance Co., 9 years (1918–27) as chief operating engineer; assistant chief engineer or chief electrical engineer of the company's generating stations; transmission lines and distribution systems in Spain and Mexico; City management and municipal plant operation, 2 years; City Manager and Sup't of Electric Water and Port Utilities, Fort Pierce, Fla.; Federal Power Commission, 14 years (1933–present)—Various positions to Chief, Division of Electric Resources & Requirements; principal jobs, engineer on distribution cost survey, national defense network planning and St. Lawrence development planning; Professional papers: World Power Conference, London; International High Tension Conference, Paris; AIEE—Mexico; AIEE—Washington, D. C.; State Public Utility Commission Engineers, Washington, D. C.

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November 1947: Walker L. Cissler, C. W. de Forest, George Hamilton,

R. M. Landreth, J. A. H. Torry, V. M. White, Harriman committee consultant; Edward Falck, House Select Committee on Foreign Aid staff.

7. Petroleum

Chairman: John A. Loftus, Department of State. Position: Consultant, without compensation. Age: 36. Degrees: A. B., Ph. D. (Economics). Experience: July 1938, to Sept. 1938, Consultant and Economist to the American Trading and Production Corp., Baltimore, on petroleum matters; Feb. 1939, to Sept. 1939, Instructor in Business and Economics at the University of Kansas; Sept. 1939, to Sept. 1940, part-time instructor in Economics at Johns Hopkins University; Sept. 1940, to Feb. 1942, Asst. Professor at Holy Cross College; Feb. 1942, to June 1942, Assoc. Professor in Economics, also working on a special research study on corporate structure of petroleum industry; June 1942, to Jan. 1943, Petroleum Price Economist in OPA, Petroleum Price Section; Jan. 1943, to Nov. 1943, Reporting Economist on Petroleum for the Office of Economic Warfare; Nov. 1943, to July 1944, Petroleum Specialist on international petroleum problems in the Division of Economic Studies, Department of State; 1944 to Oct. 1947, progressively responsible positions, including the position of Chief of the Petroleum Division in the Office of International Trade Policy; Dec. 1, 1947, to present, Consultant in the Office of International Trade Policy, Department of State.

Secretary: David E. Longanecker, Department of State. Position: Divisional Assistant, Petroleum Division, P-7. Age: 41. Experience: Specialist on domestic-machinery industries and trade, Bureau of Foreign and Domestic Commerce, 1927-41; divisional assistant, Department of State, Apr.-Sept. 1941; chief of section, Board of Economic Warfare, 1941-42; divisional assistant, Department of State, 1942-43; chief of section, Office of Foreign Economic Administration, Dec. 6, 1943; divisional assistant, Department of State, liaison officer, 1944; alternate chairman, Petroleum Facilities Coordinating Committee, 1945- —; assistant chief of branch, Petroleum Division, 1946.

Members: Col. Gustav H. Vogel, QMC., Army-Navy Petroleum Board, United tates Army, serial No. O12793. Position: Executive officer, Army-Navy Petroleum Board, Joint Chiefs of Staff. Age: 47. Degrees: B. S. from United States Military Academy, graduated 1920 M^ (E) from Univ. of Michigan (automotive course) 1936. Experience: Colonel Vogel entered active military service as a commissioned officer immediately upon graduation from the Military Academy. Listed below is a brief record of his military service: 1921-30, company officer, battery commander, Coast Artillery, 1930-41, company officer, company commander, assistant quartermaster, Chief of Plans and Training Branch, Motor Transportation Division, Office of Quartermaster General, January 1942-May 1942, Executive Officer, Motor Transportation Division, Office of Quartermaster General; May 1942-September 1942, Chief, Motor Transportation Division, European theater; September 1942-October 1942, Deputy Chief, Area Petroleum Office, European theater; October 1942-August 1945, Chief, Petroleum Section; August 1945-December 1945, Deputy Executive Officer, Army-Navy Petroleum Board; January 1946 to present date, Executive Officer, Army-Navy Petroleum Board.

Max W. Ball, Department of the Interior. Position: Director, Oil and Gas Division, ungraded. Age: 62. Degrees: Colorado School of Mines, E. M., 1906; National University Law School, LL. B., 1914; National University Law School, LL. M., 1914. Experience: Chief geologist for Royal Dutch-Shell companies, 1917 to 1921; later made manager. President, Argo Oil Co. and predecessors, 1921 to 1928. Also during part of this period was president of Western Pipe Line Co. Consulting work in the field of petroleum geology and engineering, 1928 to 1943. Also from 1931 to 1944 was president of the Royal Royalties, Ltd. President, Abasand Oils, Ltd., 1930 to 1943. Department of the Interior mining engineer, Bureau of Mines, 1916 to 1917; Assistant Director, Petroleum Administration for War, December 1943 to February 1945. Industrial Specialist, PAW (special field assistant) February 1945 to April 1946. Director, Oil and Gas Division, December 1946 to present.

Walter James Levy, Department of State. Position: Economist (petroleum specialist) P-8. Age: 36. Degree: LL.D. Experience: Assistant to editor of press bureau 1936-1941; economist, 1942-1943; chief of oil section 1944-1945; special assistant to chief of Europe-Africa Division 1945, Office of Strategic Services; member, United States Petroleum Programing Group, London, 1945; member, United States Staff on Post-Hostilities Supply Negotiations With Sweden, Sweden, 1945; transferred to Department of State as special assistant, October 1, 1945; economist (petroleum specialist) Division of International and Functional Intelligence, 1946.

Carl N. Gibboney, Department of Commerce. Position: Adviser (international trade in primary commodities) P-8. Age: 48. Degree: Graduate, Ohio State University, College of Agriculture, 1923. Experience: 1946-48, 2 years work in international trade in primary commodities, Department of Commerce; 1943-45, 2 years Chief of Foreign Procurement Division, Foreign Economic Administration; 1923-43, 20 years' experience in agricultural production, marketing, and credit.

Alternates: Carroll D. Fentress, Department of the Interior. Position: Petroleum Technologist, P-7 (designated as Special Assistant to the Director of the Oil and Gas Division). Age: 36. Degrees: B. S., 1934, Massachusetts Institute of Technology; M. S., 1935, Massachusetts Institute of Technology. Experience: Chemical engineer, 1935-38 (Standard Oil Co.); group leader, research department, Standard Oil Co., 1938-42; United States Army, lieutenant, ordnance assistant, Army inspector of ordnance; assistant chief inspection division (captain); chief, process section (major, ordnance); assigned to Petroleum Administration for War, Interior Department, 1942-46; Petroleum Technologist, Oil and Gas Division, 1946 to present.

Edward Benjamin Swanson, Department of the Interior. Position: Assistant Director and Chief of Supply and Economics Branch, P-8. Age: 54. Degree: A. B. 1918, University of Washington. Experience: Private Secretary, and Administrative Assistant to Director, Bureau of Mines, 1920-24; Assistant Petroleum Economist, Bureau of Mines, 1924-25; Economic Analyst, Bureau of Mines, 1925-30; Chief, Petroleum Economics Division, Bureau of Mines, 1930-34; Board Member and Chief, Production and Refining Division, Petroleum Administrative Board, 1934-36; Associate Director, Petroleum Conservation Division, 1936-41; Director of Research, Office of Petroleum Coordinator for National Defense; Director of Research, Petroleum Administration for War, 1941-44; Designated Acting Director of Petroleum Conservation Service, 1944; Director of Research, Petroleum Conservation, 1946; Assistant Director and Chief of Supply and Economics Branch, Oil and Gas Division, 1946 to present.

Robert H. S. Eakens, Department of State. Position: Chief, General Policy Branch, Petroleum Division, P-7. Age: 36. Degrees: B. A., M. A. Experience: Economist for oil company, 1937-40; fellow 1940-41, and lecturer in statistics, 1942, Columbia University; economist Petroleum Branch, Office of Price Administration, 1942-44; divisional assistant 1944-45 and assistant chief, Petroleum Division, Department of State, 1945.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: John Bauer, Gerald Cogan, A. E. Ernst, Harriman committee consultants; Robert Koenig, Harriman committee member; Richard Mote, Harriman committee staff; Arthur Stewart, Harriman committee consultant; John Fry, House Select Committee on Foreign Aid staff.

8. Iron and steel

Chairman: J. Joseph Palmer, Department of Commerce. Position: Consultant, Commodity Service Division. Age: 45. Degrees: A. B., M. A., and LL. B. Member of District bar. Experience: Has been responsible for the Department of Commerce work in iron and steel since August 1926; covers particularly study of foreign economics of steel in all parts of the world, including ERP countries.

Secretary: Isaiah Frank, Department of State. Position: Chief, Special Areas Section, International Resources Division (P-6). Age: 30. Degrees: B. S. S., M. A. Experience: Research associate, Columbia University, 1936-39; teaching fellow, 1939-40; instructor of economics, 1940-41, Amherst; Carnegie fellow, National Bureau of Economic Research, 1941-42; economic consultant, War Production Board, 1942; senior economist, Office of Strategic Services, 1942-44; U. S. Army, 1944-45, first lieutenant; transferred to Department of State as economist, 1945; Chief of Special Areas Section, International Resources Division, 1946, represented Office of Strategic Services on Interdepartmental Committee on Private Monopolies and Cartels, 1945; secretary of the Steel Interrogating Committee of the Washington Conversations, and member of the Interdepartmental Working Committee on Iron and Steel; member of Cartels and Private Monopolies Subcommittee of the Executive Committee for Economic Foreign Policy.

Assistant Secretary: Virginia H. McClung, Department of State. Position: Commodity Specialist, International Resources Division (P-4). Age: 34. Degrees: B. A. Experience: Junior Economist, Division of Research and Statistics, Federal Deposit Insurance Corporation, 1936-41; Assistant Economic Analyst, Division of Monetary Research, Treasury Department, 1941-42; Associate Economist and Statistician, Industrial Materials Division, Office of Price Administration, 1942-47; commodity specialist, International Resources Division, Department of State, 1947; work on Interdepartmental Working Committee on Iron and Steel.

Members: Robert Simpson, Department of Commerce. Position: Business Economist (P-6), European Division, OIT. Age: 30. Degree: A. B. Amherst College, June 1938. Experience: Sept. 1938-June 1939, National Institute of Public Affairs, Washington, D. C., National Resources Committee; Central Statistical Board. July 1939-Dec. 1940, National Resources Planning Board. Jan. 1941-July 1941, Office of Secretary of War, San Francisco. Aug. 1941-42, Office of Production Management, Iron and Steel Branch. Aug. 1942-May 1946, active duty USNR, Australia, Dutch New Guinea, Washington, D. C., Germany, U. K. July 1946-June 1947, National Housing Agency, June 1947 to date above.

Harold H. Weim, Department of Commerce. Position: Economist (P-6). Age: 32. Degrees: B. S. S., A. M., Ph.D. Metallurgy Iron and Steel Course at School of Engineering, University of Maryland, 1941. Experience: Department of Commerce, October 1939-November 1940, Economic Analysis; National Defense Advisory Commission, November 1940-June 1941, Economic Analysis; War Production Board, June 1941-February 1942, Economic Analysis; War Production Board, OPA. CS, February 1942-July 1943, Supply Analysis; War Production Board, OCR, August 1943-September 1943, Formulation of Programs; War Department, A.A.F., Wright Field, September 1943-February 1944, Demobilization

Analysis; OPA, February 1944–May 1945, Durable Goods Industries Analysis.

Paul C. Hoover, Department of State. Position: Economist, Economic Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research (P–2). Age: 33. Degree: B.S. (Physics). Experience: Junior Analyst, Office of Economic Warfare Analysis, Board of Economic Warfare, October 1942–April 1943; U. S. Army of Occupation, April 1943–December 1945; held responsible positions as Research Analyst and Economist in the Division of Europe, Office of Intelligence Research and in the Economic Section, Northern and Western European Branch, Division of Research for Europe in the Department of State, April 1946 to present.

Carlyle H. Strand, Tariff Commission. Position: Commodity specialist (iron and steel) (P–5). Age: 57. Degrees: B. S. and metallurgical engineer. Experience: Case School of Applied Science, postgraduate, Harvard University, 1907–11; U. S. Steel Corporation, Chicago, Ill., 1911–13; Pennsylvania Railroad Co., Altoona, Pa., 1913–14; Crown Cork and Seal Co., Baltimore, Md., 1918–19; Bureau of Aircraft Production, Pittsburgh, Pa., 1918–19; Bureau of Standards, Washington, D. C., 1919–20; Ford Motor Co., Detroit, Mich., 1920; Lackawanna Steel Co., Buffalo, N. Y., 1920–21; Ohio Forge Co., Cleveland, Ohio, 1921–23; U.S. Tariff Commission, Washington, D. C., 1923 to present, except 1940–41 when on part-time loan to Office of Export Control. During the entire period, primary work was on iron and steel. Since 1923, work has consisted chiefly of studies of tariff, foreign and domestic industries and international trade. Coauthor of Report No. 128 on Iron and Steel, U. S. Tariff Commission, 1938; Report No. 15 on Iron and Steel, U. S. Tariff Commission, 1946.

Alternates: Robert M. Weidenhammer, Department of Commerce. Position: Chief, Machinery and Metals Section (P–6). Age: 46. Degrees: Ph. D. in economics. Experience: Educated in French, German, Swedish, and U. S. schools; professor of economics, University of Minnesota, 1926–34; Riter and Co. (Dillon, Read & Co.), 1934–41; War Production Board, Brookings Institution, U. S. Department of Commerce; U. S. Government delegate at the meetings of the Iron and Steel and Metal Trade Committees of the International Labor Organization at Stockholm, Sweden, August 15–September 21, 1947. (Was made chairman of a permanent group to work out the international standardization of statistics of the iron and steel industries.) Completing, at present, a book on the world iron and steel industries, to be published by the Department of Commerce this year (about 500–600 pages).

Leon Goldenberg, Department of State. Position: Attaché (research) (FSR–4) Paris. Age: 43. Degrees: B. C. S., M. A., Ph. D. Experience: Lecturer in economics, Northwestern University, 1936–40; economic analyst, 1941–42; Chief of Unit. Board of Economic Warfare, 1942–43; Chief of Section, Foreign Economic Administration, 1943–45; Chief, Northern and Western European Economic Section, Division of Research for Europe, November 1945–June 1946, Department of State; Assistant Chief of Population and Manpower Section, Division of Research for Europe, June 1946–October 1947, Department of State. Attache (research) Paris, October 20, 1947 to present.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Hiland Bachellor, Harriman committee member; Richard Bissell, Harriman committee staff; Otis Brubaker, Harriman committee consultant; S. Morris Livingston, Harriman committee staff; William S. Morrison, Harriman committee consultant; Hector Prud'homme, William Remington, Harriman committee staff; Edwin B. George, Robert Landry, House Select Committee on Foreign Aid staff.

9. Inland transport

Chairman: John W. Tuthill, Department of State. Position: Assistant Chief of Shipping Division in charge of Inland Transportation Section, P–7, Foreign Service Officer assigned to the Department. Age: 37. Degrees: B. S., M. B. A., M. A. Experience: Instructor and Assistant Professor of banking and finance at Northeastern University from 1937 to 1940; Foreign Service Officer, unclassified, and Vice Counsul of Career on July 12, 1940, serving at Windsor, Mazatlan, and Ottawa. In December 1944 was assigned to the Office of the U. S. Political Adviser on German Affairs, AEF, where he worked on German economic and transport problems. He also served as Economic Adviser to the U. S. Delegation at the Meeting of the Council of Foreign Ministers at Moscow advising on all European inland transportation problems, and Political Adviser to Deputy of the U. S. Foreign Minister at the meeting of the Deputies, CFM, London, advising on economic and transport matters concerning proposed peace settlements with Germany and Austria.

Secretary: Doris Whitnack, Department of State. Position: Economist, P–6, Division of International and Functional Intelligence. Age: 29. Degree: B. A. Experience: Research Technician, National Resources Planning Board, 1939–41; Head, Economic Analysis Section (Transportation Economist), Office of Price Administration, 1941–44; Head of Transportation Section and Economist, Division of Geography and Cartography, and Division of International and Functional Intelligence, Department of State, 1944–.

Members: Thomas E. Anderson, Department of Agriculture. Position: Mechanical Engineer, P–4. Age: 49. Degrees: None. Experience: 1918–45, Texas & Pacific Railway as Car Builder, Shop Inspector, Car Foreman, Car Engineer. (From 1943 to 1944 served as Mechanical Officer, Car Department, for U. S. Railway Mission in Mexico, while on leave without pay from Texas & Pacific Railway.) 1946 to present has served as Mechanical Engineer (Railway Cars) in Transportation Corps of War Department and later in Department of Agriculture.

John C. Winter, Department of Agriculture. Position: Agricultural Transportation Economist, P–7. Age: 45. Degrees: None. Experience: 1944–1948, Chief, Transportation Facilities Division of Production and Marketing Administration with responsibility for planning and directing nation-wide studies to determine fields of greatest efficiency and adequacy of various methods of transportation, also analyses of wartime transportation problems to anticipate shortages of transportation facilities in order to initiate and develop conservation measures necessary to prevent break-downs. 1940–44 served as Assistant to Chief, and Acting Chief of Transportation Facilities Division. 1935–40, Traffic Expert in charge of Rate Department for Public Service Commission, State of North Dakota, Bismarck, N. D. 1929–1935, Assistant Rate Expert, Board of Railroad Commissioners, State of South Dakota, Pierre, S. Dak. 1925–1929, Freight Clerk for C. & NW. Ry. Co. and Sioux City Traffic Bureau, Sioux City, Iowa.

Paul Brown, Department of the Army. Office of the Chief of Transportation Corps reports that Mr. Brown attended only one meeting of this Committee and then only as an observer. (Virginia E. Sparks, Department of State, DP.)

James E. Glynn, Department of Commerce. Position: Chief, Transportation and Communications Branch. Age: 57. Degrees: B. S., M. S., M. E. Experience: Over 30 years' experience in the transportation field: 12 years, New York Central Railroad; 5 years, General Motors Corp.; 10 years, highway transportation, trucking, and warehousing; 3 years, officer, United States.

Alternates: Jacob J. Kaplan, Department of State. Position: Chief of Economic Section, P–6, Southern European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 27. Degrees: A. B., A. M. Experience: Research and teaching assistant at Iowa State College, 1941–42, where he did research on farm credit and food rationing. Served in U. S. Army, Oct. 1942 to February 1946, where he was attached to the Office of Strategic Services in the capacity of an Economist. He was stationed one year in Washington where he was in charge of the Food Unit analyzing European food conditions; one year in England and Italy where he analyzed the food and agricultural developments in the Balkans and Italy; six months in Austria where he was in charge of the Economic Reporting Unit. He served as a member of the Combined Working Party on European Food Supplies. In Feb. 1946 he was appointed as an Economist in the Division of Europe, and Near East and Africa Intelligence, Food and Agriculture Section. In Nov. 1947, he was appointed to his present position.

Gustav Pollaczek, Department of State; position: Economist, P–5, Division of Transport and Communications. Age: 52. Degrees: LL. D. Experience: Official with Austrian state railroads, 1916–23; executive in international freight agency, Vienna, 1924–31; consultant and author of books on international legislation, 1935–46; consultant and transportation specialist, Foreign Economics Administration, 1944–45; transportation specialist, Department of State, 1945.

Robert O. Swain, Department of State. Position: Special Assistant, P–6, Shipping and Inland Transport Division. Age: 37. Degrees: B. A. Experience: District supervisor (traffic surveys), Sr. Asst. Traffic Engineer in charge of State highway engineering facilities, consultant on traffic problems, Texas Highway Department; U. S. Army Corps of Engineers, Lt. to Major, 1942–46, army engineering, construction, Army, Corps of Engineers, Transportation Corps, European Theatre of Operation; 1½ years in Latin America, Transportation Advisor to Colombia, Venezuela, and Ecuador; presently, Chief of the Transportation & Communications Branch, Office of International Trade. Also consulting engineer to many large American manufacturers on warehouse and transportation problems, including construction, operations and administration functions. While with General Motors, conducted comprehensive surveys of western European transportation facilities.

Gerald R. Gallagher, Office of Defense Transportation. Position: Assistant Director, Division of Manpower and Materials. Age: 44. Degrees: B. S. Experience: 1926–41, Lehigh Valley Railroad, Office and Field Engineering, on Chief Engineer's staff, supervisor, main line track and roadway maintenance; 1941–43, Bethlehem Steel Co., supervisor of plant car fleet maintenance, civil engineering Navy plant; 1943, Board of Economic Warfare, survey of material requirements of railroads and other transport agencies in Africa to determine minimum requirements in steel and other metals and manufactured parts, Portuguese Purchasing Commission, assisted Lend-Lease agency on rail problem in Senegal; 1943 to date, ODT, Regional representative, Assistant Director, Railway Transport Division.

Henry H. Kelly, Department of State. Position: Assistant Director, Office of Transport and Communications, P–8. Age: 50. Experience, United States Army, 1918–19, overseas service; Assistant Chief, Automotive Division, Department of Commerce, 1923–1925; member of Automotive Trade Commission to Europe, 1925–28; Director of Asiatic territory for Hudson Motor Car Co., 1928–30; Assistant Chief, Division of Highway Transport, Bureau of Public Roads, 1930–35; Chief, Section of Safety, Interstate Commerce Commission, 1935–41; executive secretary, Central Motor Transportation Committee, Advisory Commission to Council of National Defense,

1941–42; Chief, Allocations Section, 1942–43; Director, Division of Materials and Equipment, 1943–45, Office of Defense Transportation; Regional Director for North America and American representative on European Central Inland Transport Organization, 1945–47; Assistant Director, Office of Transport and Communications, Department of State, 1947; and development; June 1945–Jan. 1946, in charge of rehabilitation of 4 German rivers, establishing offices, supervising design, construction and operation of heavy equipment to clear rivers, etc.; highway engineer, Public Roads Administration, 1946–47; special assistant, Shipping Division, Department of State, 1947.

Clarence S. Gunther, Department of Treasury. Position: Commercial specialist, Commercial Policy and United Nations Division, CAF 11, Office of International Finance. Age: 40. Degrees: B. S. Experience: August 1927 to January 1935, connected with Bureau of Foreign and Domestic Commerce in the Commercial Intelligence Division and in the Division of Foreign Trade Statistics; January 1935 to October 1943, commercial specialist; July 1945–December 1945, sr. adm. investigator, Procurement Division, Treasury Dept.; acting assistant chief, Lend-Lease Transportation Division; December 1945 to April 1946, chief liaison officer of the Italian technical delegation; June 1946 to present, served in liaison capacity with officials of Bureau of Customs and Department of Commerce on foreign trade matters, Treasury representative on agricultural panel of Committee for Reciprocity Information, alternate Treasury director of the U. S. Commercial Corporation and on numerous special committees dealing with commercial matters.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: William Flexner, Harriman Committee consultant; Max Milliken, Harriman committee staff.

10. Maritime transport

Chairman: Walter Radius, Department of State. Position: Director, Office of Transport and Communications Policy, P–8. Age: 37. Degrees: A. B., M. B. A., Ph. D. (economics). Experience: Jan. to Dec., 1938, worked on a shipping study under a Rockefeller Fellowship; June 29, 1942, to date, progressively responsible positions in the field of transport and communications in the Department of State, including the positions of special assistant to the Director of TRC on the international aspects of shipping and inland transportation matters, adviser on inland transportation, Deputy Director of the Office of Transport and Communication, and the present position of Director. Represented the U. S. Government in dealings with the European Central Inland Transport Organization and the Rhine River Commission. Mr. Radius has traveled extensively through England, Holland, Germany, France, Switzerland, Japan, Korea, Manchuria, China, etc.

Secretary: Lehman P. Nickell, Department of State. Position: Adviser on shipping, P–8. Age: 49. Degrees: B. S., M. S., Ph. D. Experience: Instructor in economics, University of Virginia, 1924–27; economist, business specialist, Chief of Inland Waterways Section, and asst. executive secretary and Chief Examiner of the Foreign Trade Zone Board, Department of Commerce, 1928–38; Chief, Special Studies Section and Assistant Director, Division of Economics and Statistics, Maritime Commission, 1938–42; Director, Division of Statistics and Research and Director of Vessel Activities and Records, operations department, War Shipping Administration and Maritime Commission, 1942–47; adviser on shipping, Shipping and Inland Transport Division, Department of State, July 1, 1947.

Members: Serge G. Koushnareff, Department of Commerce. Position: Asst. Chief, Transportation and Communications Division. Age: 53. Degrees: LL. B., B. S., M. S., Ph. D. Experience: 12 years service in clerical and executive capacity with United States Lines in New York, thereby acquiring thorough knowledge of steamship operation, freight traffic, marine insurance, and claims adjustments. Subsequent service with the Foreign Economics Adm. as Asst. and Acting Chief of the Transportation Division, directing movement of Government purchases abroad, including chartering of vessels, rate negotiations, warehousing arrangements, and transshipments. 2 years' service with the Department of Commerce in capacity of shipping policy adviser to the Director, and Asst. Chief of Transportation and Communications Division, Office of International Trade.

Huntington T. Morse, U. S. Maritime Commission. Position: Interdepartmental liaison officer (special assistant to Commission). Age: 58. Degrees: B. A. Experience: From 1915–1917, Atlantic Gulf and West Indies, checker to dock superintendent, S. S. Co. (Mallory Line); 1917–1919, U. S. Navy, QM3c to Lt. sr. grade, in charge of Naval Overseas Transportation Service, N. Y.; 1919–1925, U. S. Shipping Board and Merchant Fleet Corp., Director of Ship Operations, Asst. Special Commissioner for shipping activities in Europe, Director of Europe (head of European organization of the U. S. Shipping Board and Emergency Fleet Corporation); 1925–1932, Munson Steamship Line, asst. chartering manager, charge of operation of collier fleet of Munson Line, local mgr. Buffalo office, mgr. Munson Inland Water Lines, mgr. floating equipment, dir. N. Y. Canal and Great Lakes Corp., special representative of the president of the Munson Line on shipping matters of the company; 1932–1934, own business (brokerage (wholesale coal for paper mills)); 1934 to present, U. S. Shipping Board and Merchant Fleet Corp., U. S. Maritime Commission, Chief, Division of Ship Operations, Chief of Div. of Ship Operations and Ship Sales, member of Board of Trustees of Merchant Fleet Corp.; asst. to Commission on Maritime Commission Activities; asst. to chairman on Maritime Commission Activities, special asst. to Commission (interdepartmental liaison officer and foreign liaison officer on Maritime Commission Activities).

Jesse E. Saugstad, Department of State. Position: Chief, Shipping and Inland Transport Division, P–8. Age: 61. Experience: Instructor, Univ. of Wisconsin, 1910–18; U. S. Navy, 1918–19, ensign; shipping business, 1919–22; shipping research, 1922–26; asst. to v. pres., Merchant Fleet Corp., 1926–27, and Asst. Director, 1927–29, U. S. Shipping Board; special agent, Bureau of Foreign and Domestic Commerce, 1929–35; economic analyst, Department of State, 1935–38; Assistant Chief, Division of International Communications, 1938–44; Chief, Shipping Division, 1944; consultant, Inter-American Maritime Conference, Washington, 1940.

Alternate: Harvey Klemmer, Department of State. Position: Attaché (shipping) London (FSR–2). Age: 47. Experience: 1918–1923, able-bodied seaman, U. S. Merchant Marine, 1932–35, director of research for American Steamship Owners' Assn., N. Y. C.; 1936–37, senior economic analyst, Dept. of State, analyzed effects of tariff reductions; 1937–42, Asst. to Commissioner, U. S. Maritime Commission. Spent most of time in Europe; 1942–1943, shipping consultant, War Production Board; 1943–47, economic adviser, U. S. Maritime Commission; August 6, 1947, to present, attaché (shipping), London, FSR–2. Also assigned: Dublin, Paris, Bern, Brussels, The Hague, Berlin, Copenhagen, Oslo, Stockholm, Helsinki, Warsaw, and Moscow.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Capt. Granville Conway, Harriman committee member; James McCullough, Harriman committee consultant (National Federation of Shipping); Max Milliken, Harriman committee staff.

The report submitted on maritime transport was reviewed by the Shipping Coordinating Committee (SHC). Its formal membership is as follows:

Chairman: Garrison Norton, Department of State. Position: Assistant Secretary of State (Presidential appointment). Age: 47. Degrees: A. B., history and literature. Experience: October 1923 to January 1941, employed with Arthur Young & Co., New York, N. Y. (from jr. accountant to partner); Sept. 1938 to June 1939, Civil Aeronautics Authority as consultant to the Chairman; May 1934 to Sept. 1935, deputy to Gen'l Mgr., HOLC.; U. S. Navy from Oct. 1940 to Nov. 1945 (Capt.); appointed to Dept. of State, Nov. 1945, as deputy director. Office of Transport and Communications Policy, later made Director of this same Office, and later still appointed as Assistant Secretary in charge of transport and communications affairs. Mr. Norton served as chairman, United States delegation to the International Civil Aviation Organization Commission on Multilateral Agreement, Geneva, Switzerland, November 3, 1947.

Vice Chairmen: W. W. Smith, United States Maritime Commission. Position: Chairman, United States Maritime Commission (Presidential appointment). Age: 59. Degree: Graduate U. S. Naval Academy. Experience: U. S. Navy, active service at sea and ashore, including both World Wars; commander of cruiser task force; director of Naval Transportation Service, 1909–46; June 1946 to present, Chairman, United States Maritime Commission.

Executive Secretary: L. James Falck, Shipping Division, Department of State. Position: Assistant Chief, Shipping and Inland Transport Division. Age: 36. Degrees: B. A. Experience: Clerk, Department of State, 1923–28; assistant special agent, Bureau of Foreign and Domestic Commerce, 1928–33; clerk, Navy Department, 1933–34; Securities and Exchange Commission, 1934–36; clerk, Department of State, 1936; economic analyst, 1937; divisional assistant, 1938–43; consultant, Inter-American Maritime Conference, Washington, 1940; Assistant Chief, Shipping Division, 1944; adviser, U. S. delegate, Maritime Preparatory Tech Conference, International Labor Organization, Copenhagen, 1934; special assistant to U. S. delegate, 28th (maritime) session of the international Labor Office, International Labor Organization, Seattle, Wash., 1946.

Asst. Executive Secretary: John W. Mann, Shipping Division, Department of State. Position: Assistant Adviser on Shipping, Shipping and Inland Transport Division. Age: 50. Degrees: LL. B., member of bar of D. C. Experience: U. S. Army 1916–19, 2d lt., overseas service; with U. S. Shipping Board and Maritime Commission, 1922–42; Director of Division of Foreign Charters and Ship Warrants, War Shipping Administration, 1942–45; Adviser, United Maritime Authority Planning Commission, London, 1944; Chairman, United Maritime Authority Shipping Facilites Control Commission, Washington, 1945; Observer, meeting of United Maritime Authority, London, 1946.

Secretary: G. Curtis Murrell, Department of State. Position: Committee Coordinating Assistant, CAF–9. Age: 30. Degrees: BA. Experience: U. S. Army, overseas service, Capt., 1942–46; recruitment and placement officer, 1946; Committee Coordinating Assistant, 1947, Department of State.

Members: Maj. Gen. Edward H. Leavey, Department of the Army. Position: Chief of Transportation. Age: 53. Degrees: BS; DL. Experience: Troop and River and Harbor Duty, Aug. 1917 to Nov. 1929; Asst. Dept. Engineer, Hawaii, Nov. 1929 to Sept. 1932; Deputy Administrator, Works Progress Administration, New York City, Aug. 1936 to Aug. 1937; Assistant Commissioner, Works Progress Administration, July 1940 to Dec.

1940; Deputy Chief of Staff, V. Army Corps, and Acting Chief of Staff, North Ireland Forces, Jan. 1942 to Nov. 1942; Chief of Staff Mediterranean Base Section, Nov. 1942 to Feb. 1943; Commanding, Mediterranean Base Section, Feb. 1943 to June 1943; Asst. Chief of Staff, U. S. Pacific Fleet, June 1943 to May 1945; Deputy Commander, U. S. Army Forces, West Pacific, May 1945 to Nov. 1945; Chief of Transportation, Nov. 1945 to date. The Works Progress Administration assignments involved dealing with State and local governments and local groups on higher levels. The North Ireland, England, Mediterranean and Pacific assignments involved dealing with both foreign government official and foreign non-official groups.

Thomas C. Blaisdell, Department of Commerce. (See Advisory Steering Committee.)

W. M. Callaghan, Rear Admiral. Department of the Navy. Position: Assistant Chief Naval Operations. Age: 51. Degrees: MS. Experience: June 1918–Aug. 1918: Duty U. S. S. *Wisconsin* and Destroyer Force, Queenstown, Ireland; Aug. 1918–Dec. 1918, Duty U. S. S. *Stevens;* Dec. 1918–July 1919; Duty U. S. S. *Allen;* July 1919–Jan. 1921, assisted in fitting out and served on U. S. S. *Hamilton* and U. S. S. *Nicholas;* Jan. 1921–*June* 1923, Consecutive duty of destroyers *Dent, Farquhar, Twiggs* and *Sloat;* June 1923–June 1925, post graduate course Annapolis, Maryland, and Columbia University; Oct. 1925–Sept. 1928, Duty U. S. S. *Concord;* Nov. 1928–May 1930, Duty Repairs Division, Bureau of Engineering, Navy Department, Washington; June 1930–May 1933, Duty U. S. S. *Saratoga* (Asst. Eng. beginning Dec. 1931); June 1933–May 1936, Instructor Dept. Marine Engineering, Naval Academy, Annapolis; June 1936–March 1938, Command U. S. S. *Reuben James;* March 1938–May 1939, Executive Officer U. S. S. *Henderson;* May 1939–Aug. 1941, Duty Ship's Movement Division CNO, Navy Dept. Washington; Aug. 1941–Sept. 1941, Naval Observer at American Embassy, London, England; Sept. 1941–July 1942, CNO; July 1942–Spring 1944, served on staff of CincPac; June 1944–May 1945, fitted out and commanded U. S. S. *Missouri;* May 1945–June 1945, duty on staff of CincPac; July 1945–Sept. 1945, duty Bureau Naval Personnel, Navy Dept., Washington; Sept. 1945–to date, Assistant Chief Naval Operations, CNO (Transportation and also Chief of Naval Transportation Service). Was awarded the Legion of Merit for work on the staff of the Commander in Chief of the Pacific Fleet.

Edward H. Foley, Jr., Treasury Department. Position: Assistant Secretary of the Treasury. Age: 42. Degree: LL. B. Experience: Admitted to New York bar, 1930; to United States Supreme Court, 1936; to District of Columbia bar, 1946. Managing clerk and attorney, Hawkins, Delafield & Longfellow, New York, 1926–32. Attorney Reconstruction Finance Corporation, Washington, D. C., 1932–33. Assistant general counsel and general counsel, Federal Emergency Administration of Public Works, Washington, D. C., 1933–37. Assistant general counsel, 1937–38; general counsel, 1939–42, Treasury Department, Washington, D. C. Member, Attorney General's Committee on Bankruptcy Administration, 1939; Board of Legal Examiners for Civil Service Commission, 1941–43. United States delegate and Chairman, Inter-American Conference on Systems of Economic and Financial Control, 1942. Commissioned lieutenant colonel, United States Army, August 1942; legal adviser to Quartermaster General, August 1942–August 1943; promoted to colonel, August 1943, and served as Joint Director of Finance Subcommission, Allied Control Commission, Italy, September 1943–November 1944. Awarded Legion of Merit. Ordered to inactive duty to become general counsel, Office of Contract Settlement, Washington, D. C., December 1944. Assistant Secretary of the Treasury of the United States since April 1946.

Alternates: Brig. Gen. Paul Yount, Department of the Army. Position: Assistant Chief of Transportation. Age: 39. Degrees: B. S., C. E. Experience: River and harbor duty, 1930–32; student, Cornell University, College of Civil Engineering, 1932–33; student, Engineer School, 1933–34; instructor, engineering, United States Military Academy, 1934–38; troop duty, 1938–40; student observer, Chicago, St. Paul, Minneapolis & Omaha Railway, 1940–41; Chief Engineer, United States Military Iranian Mission, October 1941–March 1942; commanding officer, part of Karachi and Base Section, United States Air Force, C. B. I., March 1942–October 1942; general manager, Persian State Railway, October 1942–May 1944; general manager, Bengal & Assam Railway (Indian State Railway), May 1944–May 1945; commanding general, Advance Section (Ledo Road), IB theater, May 1945–September 1945; Chief, Commercial Traffic; executive; Assistant Chief of Transportation, October 1945 to date.

Thomas Hibben, Department of Commerce. (See Electric Power Committee.)

Huntington T. Morse, United States Maritime Commission. (See Maritime Transport Committee.)

Richard Parkhurst, United States Maritime Commission. Position: Commissioner, United States Maritime Commission, Presidential appointment. Age: 53. Degree: A. B. Experience: First World War, United States Navy, 1917–19; chief petty officer, 1919–29. Athenaeum Press of Ginn & Co., assistant to manager and manager, Cambridge, Mass., 1929–43. Appointed to Board of Boston Port Authority, subsequently its first vice chairman, then chairman, 1943–45. Given leave of absence from Board of Boston Port Authority to serve with the Division of Administration and Transportation of Office of Inter-American Affairs (included considerable maritime transportation affecting Latin America). February 1946 to present, Commissioner, United States Maritime Commission.

Capt. W. N. Mansfield, Department of the Navy. Position: Head of the Auxiliary Vessel Procurement Section of the Naval Transportation Service. Age: 48. Degree: Graduate of United States Naval Academy. Experience: Enlisted Navy, January 20, 1919. Appointed to Naval Academy, June 1920. After 2 years' sea duty received instruction in torpedoes at Naval Torpedo Station and in submarines at New London submarine base. Resigned United States Navy, July 1929. Employed as chemical sales engineer and set up plant in Buenos Aires for South American clients. Was mate on merchant ships in Atlantic and from 1934 to 1939 was assistant to marine manager and port captain of the Mystic Steamship Co., Boston, Mass. Called to active duty, November 1939. Assigned to a Merchant Ship Section of the Naval District Division and was assigned additional duty as a member of the Joint Merchants Vessel Board. January 1942, assigned duty as aide to Director, Naval Transportation Service. Duties included the arming and defending of merchant ships. Was made the head of the Merchant Vessel Procurement Section of Naval Transportation Section. For services during the war was awarded letter of commendation with ribbon from Secretary of Navy and Secretary of War. After VJ-day duties as head of the Auxiliary Vessel Procurement Section of the Naval Transportation Service included collection and dissemination of information on merchant ships controlled or operated by the United States; procurement of merchant-type auxiliaries; disposal of those merchant-type auxiliaries not required by the Navy by returning them to the Maritime Commission. Also served as President of the Joint Merchant Vessel Board; as recorder and member of the Auxiliary Vessels Board; as alternate Navy member of the Shipping Coordinating Committee; as member of the Joint Maritime Commission-Navy Plans Committee; and member of the standing subcommittees of the Joint Logistics and Joint Military Transportation Committees.

Admiral J. F. Farley, Treasury Department. Position: Commandant, United States Coast Guard. Age: 59. Degree: Received commission as an ensign in the Coast Guard on June 10, 1912. Experience: Served on escort and convoy duty in the Mediterranean and between Gibraltar and the ports of Great Britain. Various assignments at sea. February 1925, assigned to Coast Guard headquarters as ordnance officer. March 1937–June 1942 served as chief communications officer at headquarters. During this time was technical assistant to the United States delegation to the International Telecommunication Conference, held in Cairo, Egypt, in February and March of 1938, served as the only United States representative at the European Broadcasting Conference held at Montreux, Switzerland, during March of 1939. Also served as delegate at the International subcommittee of the Third World Conference of Radiotelegraph Experts for Aeronautics, at Cracow, Poland, in May 1939. While at headquarters was a member of the coordinating committee of the Defense Communications Board and also served as an alternate member of the Board. In June 1942 became District Coast Guard officer of the Eighth Naval District, New Orleans, La., received the Legion of Merit for exceptionally meritorious conduct in the performance of outstanding services to the Government of the United States. Returning to Coast Guard headquarters in December 1943, served as assistant chief operations officer until December 1944, was reassigned to duty as chief personnel officer. January 1, 1946, appointed Commandant with rank of Admiral. Member of the United States Naval Institute, the Society of Naval Engineers, the Newcomen Society, the Society of Naval Architects and Marine Engineers and the American Geophysical Union of Washington, D. C.

Capt. H. C. Moore, Treasury Department. Position: Coordinator for Interdepartmental and International Affairs, Office of the Commandant, United States Coast Guard. Age: 46. Experience: Served for a time as instructor in the Department of Mathematics at the United States Coast Guard Academy, New London, Conn. Had various assignments at sea. Since June 1946 has been assigned to Coast Guard headquarters as Coordinator for Interdepartmental and International Affairs. Served as technical adviser on the United States delegation to the International Conference on North Atlantic Ocean Weather Stations, held in London during September 1946. Served as adviser on the United States delegation to the International Whaling Conference, held at Washington, D. C., during November 1946. Was a member of the United States delegation to the international meeting on marine radio aids to navigation, held in New York City and New London, Conn., beginning April 28, 1947. During the period June–July 1947, served as adviser on the United States delegation to the International Congress of River Transportation, held in Paris, France, and represented the United States Coast Guard at the Fifth International Lifeboat Conference held in Oslo, Norway. Was awarded the Bronze Star Medal by Admiral Frank J. Lowry, United States Navy, Commander of the United States Eighth Amphibious Force, in the name of the President for "exceptional ability, resourceful leadership, and outstanding devotion to duty" as commanding officer of the U. S. S. *Duane* prior to and during the amphibious invasion of Southern France in August 1944.

11. Timber

Chairman: Edward I. Kotok, Department of Agriculture. Position: Assistant Chief of Bureau of Forestry, in charge of Division of

Forest Research. Age: 59. Degree: B. S. in Forestry. Experience: 1910–1948, Agriculture Department, Forest Service; has had all operating experience relevant to forestry.

Secretary: William N. Sparhawk, Department of Agriculture. Position: Forest Economist, P–6. Age: 59. Degrees: B. A. in History-Economics; M. F. in Forestry. Experience: 1910–present, Forest Service (as Forest Assistant, Forest Examiner, Forest Economist). In present position as Principal Forest Economist plans and carries out research in forest economics, especially in field of forest resources of United States and world; prepares special reports on forests of designated countries for War Department, consultant to Civil Affairs Division of War Department in developing program for control of forests and forest industries of Japan, consultant and technical adviser to numerous other Government agencies on various phases of forest economics.

Members: Edward C. Crafts, Department of Agriculture. Position: Forest Economist, P–7. Age: 37. Degrees: B. F., M. F., and Ph. D., Forestry. Experience: From 1933 to present (with exception of educational furlough periods) has been continuously employed in the Forest Service in the following positions: Technician and Junior Range Examiner; Forest Ecologist; Forest Economist; and Chief, Division of Forest Economics. As Chief of the Division of Forest Economics, conducts the economic-research program of the Forest Service to furnish basic economic data essential to the formulation and development of forestry and range programs; also coordinates forest and range economic-research projects and programs between experiment stations.

Jacob Crane, Housing and Home Finance Agency. Position: Assistant to the Administrator, P–8. Age: 55. Degrees: B. C. E. Experience: 1942 to date, Special Assistant to Administrator on requests from foreign governments concerning housing matters; advises Administrator, and advises, in conjunction with other departments, such as State and Commerce, on international supply of building materials, equipment, and machinery and other international aspects of housing; 1940–42, Assistant Defense Housing Coordinator, CAF–15, Office of Defense Housing Coordinator; 1938–40, Director, Projects Division and Assistant Administrator, United States Housing Authority; 1933–37, consultant to PWA Housing Division, National Resources Board, FHA, and Suburban Resettlement; 1933, regional planner for TVA; 1921–38, private practice as consulting engineer and city planner in Chicago, Ill.; 1913–20, held positions as assistant engineer, sanitary and public health engineer; in charge of engineering and design of war housing project for United States Housing Corporation.

John F. Shanklin, Department of the Interior. Position: Director of Forests. Age: 44. Degrees: B. S. in forestry. Experience: September 1947 to present, Director of Forests; August 1944 to September 1947, Assistant Director of Forests; May 1942 to August 1944, special assistant to the Assistant to the Secretary in Charge of Land Utilization; June 1933 to May 1942, Forester Inspector and Forester with National Park Service, Department of the Interior; 1929–30, Michigan-Louisiana Lumber Industry, manager of woods and mill operations; 1928–29, Nichols & Cox Lumber Co., research in lumber fixation; 1926–28, Henderson Drying Equipment Corp., research in seasoning of wood.

Frank H. Whitehouse, Department of State. Position: Chief, Forest Products Section, International Resources Division. Age: 42. Degrees: A. B., M. A. Experience: Commodity Specialist, United States Tariff Commission, 1931–42; head of Interdepartmental Committee on Scrap Rubber, member of Interdepartmental Committee on Rubber, member of Subcommittee on Rubber of the Combined War Materials Board, member of Subcommittee on Rubber of the Postwar Economic Committee; United States Army 1942–45, lieutenant colonel, Chief, Paper, Printing, and Publishing Section, Production Division, Headquarters, Army Service Forces, member of (interdepartmental) Paper Requirements Committee; Chief of Agricultural Materials Section, International Resources Division, Department of State, 1945; Chief of Forest Products Section, 1946; member Subcommittee on Forestry and Forest Products of the Federal Committee on International Statistics.

Joseph M. P. Donohoe, Tariff Commission. Position: Chief, Lumber-Paper Division. Age: 5[illegible]. Degree: LL. B. Experience: With Lumber-Paper Division of Tariff Commission since 1922; engaged in studies and investigations relating to resources, production, requirements and international trade in forest products.

Joseph L. Muller, Commerce Department. Position: Acting Chief, Forest Products Division, P–6. Age: 37. Degree: B. S. in Forestry, N. Y. State College of Forestry. Experience: Background includes several years in private lumber industry, and 10 years in Department of Commerce, the last 5 as Chief of Forest Products Section. Numerous publications in wood products fields.

Observers and Consultants at Conversations with Representatives of Technical Committee of CEEC in Washington during October and November 1947: A. C. Cline, Kenneth R. Davis, Harriman Committee Staff Consultants; Theodore Geiger, House Select Committee on Foreign Aid staff; Thomas Gill, Pack Forestry Foundation.

Chairman: Faith Williams, Department of Labor. (See Executive Committee on Economic Foreign Policy.)

Secretary: Jean A. Flexner, Department of Labor. Position: Labor Economist; Grade P–5. Age: 48. Degrees: A. B. and Ph. D. Experience: 2 years—U. S. Department of Labor, Labor Econ., Staff on Foreign Labor Conditions, BLS; Chairman, Western European and British Empire Section. 2 years—War Department, Senior Labor Econ., (Labor Utilization in War Plants and Labor Problems in occupied areas). 8 years—U. S. Department of Labor, Industrial Economist, Division of Labor Standards, (Labor Legislation, labor law administration, employment conditions). 4 years—Brookings Institution, Assistant on Labor and Internationalism, and the American Fed. of Labor. Publications: European Labor Force and ERP 1947; Wage Funds and Wage Policies in Great Britain, 1947 (Monthly Labor Review).

Members: Val R. Lorwin, Department of State. Position: Chief, European Section, Division of International Labor, Social and Health Affairs; Grade P–5. Age: 40. Degrees: B. A. and M. A. Experience: Assistant in department of history, Ohio State University, 1929–30, Cornell University, 1930–32; with American Field Service in France, 1932–33; tutor of history, Brooklyn College, 1933–34; private research, 1934–35, assistant economist, National Recovery Administration 1935–37, Department of Agriculture, 1937–39; associate labor standards analyst, Department of Labor, 1939–41; economist, Office of Civilian Requirements, Office of Production Management, and War Production Board, 1941–43; U. S. Army 1943–46, 1st Lieutenant, overseas service; Office of Strategic Services 1944–45; transferred to Department of State as research analyst, Oct. 1, 1945; chief of European Section, Division of International Labor, Social and Health Affairs, 1946.

Ralph D. Hetzel, Jr., Department of Commerce. Position: Assistant to the Secretary, grade P–8. Age: 35. Degrees: B. A. and Ph. D. Experience: June 1933–January 1935, secretary to Governor of Pennsylvania. August 1937–June 1942, director, economic division, CIO. Assigned to following duties while first lieutenant, captain, and major: June 1942–June 1945, liaison officer, National Selective Service headquarters; July 1942–June 1943, manpower consultant, Labor Production Division, WPB; June 1943–November 1945, Deputy Vice Chairman and Acting Vice Chairman, Office of Manpower Requirements, WPB; November 1945–December 1946, Director, Office of Labor Requirements, CPA.

Alternates: David Lasser, Department of Commerce. Position: Special labor consultant, grade P–7. Age: 45. Degree: B. S. Experience: Five years with War Production Board and CPA Assistant Director, Labor Office, Office of Labor Advisory Committees.

Herbert A. Fierst, Department of State. Position: Foreign affairs specialist (public administration policy), grade P–7. Age: 33. Degrees: B. A. and LL. B.; member of bar of N. Y. Experience: Attorney for law firm 1939–40; associate counsel, N. Y. Commission on Quasi-Judicial Administrative Agencies, 1940–42; attorney, Board of Economic Warfare, 1942; U. S. Army, 1942–46, captain, overseas services; chief of section, War Department, 1946; adviser to U. S. member, 5th session of the Council, United Nations Relief and Rehabilitation Administration, Geneva, 1946; foreign affairs specialist, Office of Assistant Secretary of State for Occupied Areas, 1946.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Ford Hinrichs, Harriman committee staff; Gustav Peck, House Select Committee Foreign Aid staff.

(f) Country Committees

Coordinating group for country studies

Chairman: Henry Labouisse, Department of State (see Advisory Steering Committee on European Recovery Program).

Executive secretary: Leonard Unger, Department of State. Position: Political economist, grade P–6. Age: 30. Degree: B. A. Experience: Assistant research technician, National Resources Planning Board, 1939–41; divisional assistant (geographer), Department of State, 1941–43; agricultural geographer, head of unit, and assistant to adviser, 1944; political economist, 1946; U. S. member of the Economic Committee of the Commission of Experts for the Investigation of the Italo-Yugoslav Boundary, 1946; work for the Council of Foreign Ministers, 1946.

Members: Frederick Strauss, Department of Commerce. Position: Chief, European Division, Areas Branch, Office of International Trade, grade P–8. Age: 44. Degree: Ph. D. Experience: Apr. 1934-May 1941, member of the staff of the National Bureau of Economic Research, NYC. Jan. 1937-May 1941, Department of Agriculture, Office of Foreign Agric. Relations. May 1941–Mar. 1944, Chief of Iron and Steel Production Section (later Deputy Director, Planning and Research Staff, Office of Civilian Requirements, WPB. Mar. 1944–present, entered as Chief of Planning and Control Staff and Assistant Director, Liberated Areas Branch of FEA (later changed to European Branch). Upon formulation of OIT in 1945 became European Policy Specialist, Office of World Trade Policy. After reorganization in 1946 was made Chief of the European Division, Areas Branch to present. In fall of 1946 was member of the United Nations subcommittee visiting the devastated areas of Europe.

Val Lorwin, Department of State. (See Manpower Committee.)

Wayne Jackson, Department of State. (See Organization and Administration Committee.)

William Koren, Jr., Department of State. Position: Chief, Western European Section Division of Research for Europe, grade P–6. Age: 38. Degrees: B. A., B. Litt. and M. A. Experience: Member of research staff, Foreign Policy Association, 1934–35; instructor in history, Princeton University, 1935–36, 1939–41; assistant professor of history, Harvard University, 1937–38; assistant professor of his-

tory and government, Wells College, 1941– ; assistants to the director of research, Office of Coordinator of Information, 1941–42; divisional assistant, Department of State, 1942–43; U. S. armed services, 1943–45; research analyst and section chief, Western European Section, Division of Research for Europe, 1945.

1. Austria

Chairman: Harold C. Vedeler, Department of State. Position: Foreign Affairs Specialist, Division of Central European Affairs, grade P–6. Age: 45. Degrees: B. A. (University of Iowa), M. P. H. and Ph. D. (University of Wis.). Experience: Taught European history at various midwestern universities for approximately ten years; conducted research work in Munich, Nurnberg, Bamberg, Amberg, Wurzburg for one year; entered Department in 1943 and since that time has done extensive research work on the Central European countries with particular emphasis on Austria; material prepared has been used by top governmental officials in international negotiations, such as the Potsdam Conference; author of such books as The Genesis of the Toleration Reforms in Bavaria under Montgeals.

Executive Secretary: Charles Rogers, Department of State. Position: Divisional Assistant (Economist), Production and Labor Section, German and Austrian Branch, Division of Occupied Affairs, Office of Financial and Development Policy, grade P–6. Age: 33. Degrees: B. A. and M. A. and Ph. D. (International Affairs). Experience: June 1941 to Jan. 1942; Economic Analyst, Adm. of Export Control, Economic Defense Board; Jan. 1942 to Feb. 1944, Chief, Sweden, Switzerland Section (planned requirements for those countries from all Allied and overseas sources requiring analysis of Swedish and Swiss economies), Board of Economic Warfare, FEA; Feb. 1944 to Jan. 1946, Army Air Corps; Jan. 1946 to July 1946, Special Assistant on Int'l Aspects of Atomic Energy, U. S. Senate Special Committee on Atomic Energy; July 1946 to present, Divisional Ass't (Economist) responsible for negotiations of economic clauses of Austrian Treaty which has involved attendance at the London Conference of Deputies as Economic Adviser to the U. S. Deputy for Austria, the Council of Foreign Ministers at Moscow as an Economic Adviser, and the Austrian Treaty Commission, Vienna (1947); in addition, assists in the formulation and implementation of U. S. Relief programs in Austria, in the German and Austrian Branch in the Department of State.

Members: Karl H. Koranyi, Department of Commerce. Position: Business Economist (Int. Trade) Chief, Central European Section, P–6. Age: 45. Degrees: Doctor of Political Economy, University of Vienna and diploma, Academy for World Trade, Vienna. Experience: Commerce and banking experience in Central Europe, foreign trade experience in U. S. A., staff member of Office of Commercial Attaché (American Embassy) in Berlin, Germany, and Paris, France, before the war. On detail with the U. S. Strategic Bombing Survey in Europe, and with the Trade and Commerce Branch, Office of Military Government (U. S.) in Germany. Business and pleasure trip in Continental Europe and North Africa before the war.

J. Herbert Furth, Federal Reserve Board. Position: Economist, Foreign Areas Section. Age: 48. Degrees: Doctor of Laws, University of Vienna. Experience: Practicing lawyer in Austria, 9 years; Professor of Economics at Lincoln University, Pennsylvania, 3½ years; Rockefeller Foundation, Social Science Research Fellow, 1 year. Board of Governors of the Federal Reserve System since April 6, 1943.

James E. Wood, Treasury Department. Position: Assistant Chief of the European Division, Office of International Finance, P–7. Age: 41. Degrees: Doctor of Philosophy (Economics, University of California). Experience: Employed by Treasury since June 1941. Worked on Foreign Funds Control and British Empire problems. Financial Attaché, U. S. Embassy, Lisbon, Portugal, May 1943 to Jan. 1946. Observer at Bretton Woods, 1944. Since Jan. 1946, specialist on Portugal, Spain and Tangier, and Germany and Austria; Assistant Chief of European Division having joint responsibility with Chief for administration and work of Division.

Staff: Joseph Rosa, Department of State. Position: Divisional Assistant (Economist) Economic Institutions Section, German and Austrian Branch, Division of Occupied Areas Economic Affairs, Office of Financial and Development Policy, P–6. Age: 42. Degrees: B. A. and M. A. (Economics). Experience: May 1936 to Dec. 1936, Junior Economist, Resettlement Administration; Feb. 1937 to Jan. 1938, Asst. Econ. Analyst, Wisconsin State Tax Commission; Feb. 1938 to June 1938, Research Asst. in land economics and taxation of natural resources, University of Wisconsin; July 1938 to May 1939, Research and Editorial Asst. on preparation of college text on "Financial Govt.," University of Wisconsin; Sept. 1939 to Apr. 1942, Economist, Bureau of Agriculture; Apr. 1942 to Apr. 1944, Research Specialist, U. S. Army, Finance Department; Apr. 1944 to May 1945, Acting Chief in Charge of Public Finance Planning, AF HQ U. S. Group Control Council, Austria; May 1945 to Aug. 1946, Chief, Public Finance Branch, War Dept., Allied Commission, Austria—in this position served as U. S. Representative on the Allied Commission on all matters having to do with Govt. Finance in Austria; Feb. 1947 to present, Divisional Asst. (Economist) in the German and Austrian Branch in the State Department.

Gerti Landauer, Department of State. Position: Economist, Central and European Branch, Division of Investment and Economic Development, Office of Financial and Development Policy, P–4. Age: 29. Degrees: B. A. (Economics). Experience: October 1942 to March 1943, Research Assistant in economics, Federal Reserve Bank; May 1943 to March 1945, Economist, Office of Price Admin.; March 1945 to May 1945, Economic Analyst, Office of Strategic Services, which was later merged with State Department. In this position analyzed Soviet foreign trade and national income with particular emphasis upon trade and other economic agreements with countries behind the "iron curtain" and effect of these agreements upon the satellites' economies; May 1946 to present, Economist in the State Department.

Everett G. Walk, Department of State. Position: Country Specialist, Central European Section, Division of Commercial Policy, Office of International Trade Policy, P–5. Age: 37. Degrees: B. A., M. A., and Ph. D (Economics). Experience: 1938 to 1940, Instructor of Finance, University of Pennsylvania; Oct. 1936 to Dec. 1941, Head Government Bond Section, Trust Dept. Pennsylvania Co. for Guaranty Mortgages; Dec. 1941 to June 1942, Chief, Priorities Section Ordnance Div., OPM; June 1942 to June 1944, Priorities Specialist, Prod. Ser. Br., Ordnance Dept., War Dept.; June 1944 to Nov. 1945, Capt., AUS, serving in Office of Strategic Services with responsibility for training men to handle foreign offices dealing in economics and banking matters; Nov. 1945 to present, held responsible position of country specialist responsible for the preparation of trade agreement negotiations in the Central European Section in the Department of State.

Erwin Strauss, Department of State. Position: Research Analyst, Central European Branch, Division of Research for Europe, Office of Intelligence Research, P–6. Age: 43. Degree: Candidate for Ph. D. (Economics). Experience: 1923 to 1931, Assistant to partner of banking firm, Berlin, Germany; Jan. 1935 to July 1935, travelling representative of Ralph B. Strassburger; July 1935 to Aug. 1938, Economic Analyst, Rural Elec. Admin.; Aug. 1938 to Aug. 1942, Financial Analyst, Securities and Exchange Commission; Aug. 1942 to Nov. 1946; Foreign Trade Analyst, Board of Economic Warfare, Foreign Economic Admin. (Upon liquidation of FEA in Oct. 1945 group transferred to Dept. of Commerce.) Nov. 1946 to present, Research Analyst, Central European Branch in the Department of State directing major research programs for the collection, analysis, and presentation in report form of data relative to social, political, historical, and economic aspects pertaining to Central Europe; 1936, served as Assistant to Executive Secretary, 3rd World Power Conference, Washington.

Myrtle Brickman: Department of Commerce. Position: Business Economist, P–2. Age: 30. Degree: B. A., George Washington University. Experience: Two years' experience in economic warfare (Blockade, FEA); two years in Commerce.

Margaret L. Bell, Treasury Department. Position: Economist, P–3. Age: 32. Degree: B. A., Majored in Economics. Experience: In present position for one year. Represent Treasury in above-mentioned working groups on Austria and Norway. Participate in ERP work under supervision of Chief of European Division of Office of International Finance—area specialization in Austria and Norway.

2. Belgium—Netherlands—Luxembourg

Chairman: Raymond Miller, Department of State. Position: Economic Counselor—FSO–1. Age: 52. Degrees: A. B., M. A., M. S. Experience: 1921–24, Western European Division, Dept. of Commerce; 1924–28, Assistant Comm. Attaché and Commercial Attaché, Paris and Brussels, Dept. of Commerce Foreign Service; 1928–33, Commercial Attaché, Brussels; 1933–34, Foreign Trade Adviser, Agricultural Adjustment Administration, Washington; 1934–35, Chief, European Division, Export-Import Bank, Washington; 1940–41, Foreign Trade Adviser, Advisory Commission to the National Defense Council, Washington; 1941–43, Director of Field Service, Dept. of Commerce, Washington; 1943–44, Assistant Director, Bureau of Foreign & Domestic Commerce, Dept. of Commerce, Wash.; 1944–46, Adviser on Economic Affairs, American Embassy, Brussels; 1946–present, Economic Counselor, American Embassy, Brussels.

Executive Secretary: Richard C. Breithut, Department of State. Position: Assistant Chief in charge of Western European Section, Division of Financial Affairs, Office of Financial and Development Policy, P–7. Age: 37. Degrees; B. S. M. A. (Economics). Experience: July 1933, Investment Analyst; Aug. 1933 to Jan. 1934, Research Associate, Columbia University and 20th Century Fund, Inc.; Sept. 1933 to Feb. 1939, Instructor in Economics, Brooklyn College and Western Reserve University; Feb. 1939 to May 1942, Economist, Federal Reserve Board and Treasury Dept.; May 1942 to Dec. 1945, Lt. Col. and Chief, Analysis and Plans Br., Army Air Forces; Dec. 1945 to present, held responsible positions as Economist and Assistant Chief in the Western European Section, Division of Financial Affairs in the Department of State.

Members: Taylor Musser, Department of Commerce. Position: Finance Specialist. Age: 47. Degrees: B. S., M. S., Ph. D. Experience: Twelve years of work with United States Government on international economic relations, principally with FEA Tariff Commission and Commerce. College professor of economics. American Field Service Fellow in France.

Robert W. Bean, Federal Reserve Board. Position: Economist, Foreign Areas Section. Age: 31. Degree: A. B. Experience: With Board of Governors of the Federal Reserve System since September 22, 1941. In April 1944 assigned by United States Army to Office of Strategic Services and worked in

Washington and London on various European economic projects; in November 1944 designated member of mission to Norway to study problems of the Scandinavian countries, Finland in general and Norway in particular. (Military service January 20, 1943, to March 5, 1946.)

George H. Willis, Treasury Department. Position: Chief, European Section, P-8. Age: 38. Degrees: S. B., A. M. Majored in Economics. Experience: Tutor and Instructor in Economics (Money and Banking), Harvard University, 1932-34; Accountant Arthur Andersen & Co., 67 Wall St., New York City, 1934-35; Economist, Foreign Research Division, Federal Reserve Bank of New York, 1935-40 (Western Europe, British Empire); War Production Board, 1941; Treasury Dept., Division of Monetary Research, 1941-42; Lt. U. S. Navy 1942-45, Contract Division, Bureau of Supplies and Accounts, 1942-43; Finance Sub-Commission, Allied Commission for Italy, 1943-45 (Military Government in Italy); Treasury Dept., Office of International Finance, 1945-47, European Division Ass't Chief, 1946; Chief, 1947 to present time (International Financial Work).

Staff: Clinton Knox, Department of State. Position: Branch Chief, Division of Research for Europe, Office of Intelligence Research—P-7. Age: 39. Degrees: A. B., M. A., Ph. D. (History). Experience: Instructor in European history, Morgan State College, September 1931 to September 1943; United States Army, September 1943 to March 1944; Research Analyst responsible for France and Low Countries, Office of Strategic Services, March 1944 to November 1945; held responsible positions as Deputy Section Chief and Branch Chief, Northern and Western European Branch, Division of Research for Europe in the Department of State, October 1945 to present.

Paul Hoover, Department of State. (See Iron and Steel Committee.)

Marcia Harrison, Department of State. Position: Divisional Assistant (Economist), Research and Statistics Section, Division of Commercial Policy, Office of International Trade Policy P-4. Age: 29. Degree: A. B. (English). Experience: Associate Business Economist, Office of Price Administration, November 1941 to August 1944; Foreign Economic Analyst, European (Liberated Areas) Branch, Foreign Economic Administration, August 1944 to August 1945; Economist, Bureau of Areas, Foreign Economic Administration, August 1945 to September 1945; Economist and Divisional Assistant (Economist), Research and Statistics Section, Division of Commercial Policy, performing responsible research and statistical work in European economics in the Department of State.

Elizabeth Otey, Department of State. Position: Economist, Europe, Africa, Near and Middle East Section, Division of Investment and Economic Development, Office of Financial and Development Policy, P-6. Age: 67. Degrees: A. B., Ph. D. (Economics). Experience: 1910 to 1933, active in suffrage, civic and political affairs; Dec. 1933 to Mar. 1934, Gov't Relief Director, Federal Emergency Relief Adm.; June 1934 to Feb. 1935, Associate Code Adviser, Nat'l Recovery Adm.; Feb. 1935 to May 1935, Director of Bryn Mawr School for Women Workers; June 1936 to July 1943, Associate Social Science Analyst, Social Security Board; July 1943 to Aug. 1944, Economic Analyst, Foreign Economic Admin.; Aug. 1944 to present held responsible position as Economist in the Europe, Africa, Near and Middle East Section, Division of Investment and Economic Development in the Department of State.

Walter Buchdahl, Department of Commerce. Position: Business Economist, P-3. Office of International Trade. Age: 40. Degree: Doctor of Jurisprudence, Erlangen, Germany. Experience: 2 years as economist with OIT, 8 months business analyst with Treasury. 16 months social science analyst (mainly economic problems) with OWI. Practical training and experience in American wholesale and retail business (6 years), studies in German Universities, thorough knowledge (from travel, studies, and practical experience) of Netherlands economy and laws, European economic conditions in general, western European import-export pattern. Thorough knowledge of the Netherlands language (as well as German and French).

Clarence Seigel, Department of Commerce. Position: Business economist, P-4, Office of International Trade. Age: 30. Degree: B. A. Univ. of Chicago, 1938 (also year of grad. study, University of Chicago, 1938-39. Experience: Sept. 1947 to present working on French economic and trade problems. July 46-Sept. 47, program analyst in Office of Housing Expediter. Made supply requirement studies on ferrous building materials. Nov. 45-July 46, Economist in Civilian Production Admn. Worked on industry studies. July 42-Oct. 45, served in Army doing general administrative work. Stationed in French North Africa from Jan. 43-Nov. 43, and in Italy from Nov. 43-Oct. 45. Nov. 41-July 42 economist in War Production Board. Worked on supply requirement studies for zinc and other nonferrous metals. June 41-Nov. 41, trainee with Surplus Marketing Adm., USDA. Worked on food purchase study in Kansas City, Mo., and helped install Food Stamp Plan in State of Michigan. June 40-June 41, clerk Census Bureau. Coded and edited 1939 census of population figures.

Frances M. Miller, Treasury Department. Position: Economic analyst, Office of International Finance, P-4. Age: 36. Degree: B. A., M. A. Majored in economics. Experience: Served in OIF since April 1945; member of Finance Division of OMGUS from July 1945 to Dec. 1945. Since beginning of 1946 have worked on northwestern European problem. At present area specialist in OIF for France and Netherlands, responsible to Chief of European Division.

Ellen Mahoney, Treasury Department. Position: Economic analyst, Office of International Finance, P-2. Age: 40. Degrees: A. B. (history and foreign languages), M. A. (economics with specialty in the international field). Experience: I have been employed by the Treasury for the past five years. At present I am an area specialist in the Office of International Finance (under the direct supervision of Mr. George H. Willis, Chief of the European Section). The countries for which I am responsible include Belgium-Luxembourg, Denmark, and Iceland.

Paul C. Parker, Treasury Department. Position: Economist. Office of International Finance, P-5. Age: 28. Degrees: B. A. (majored in economics). Experience: Has served as an economist with the Far Eastern Section of the Office of International Finance for two years, having principal responsibility for the Netherlands, East Indies, Philippines, Korea, and Japan. Served as advisor to the U. S. delegate to the meeting of the United Nations Temporary Subcommission on the Reconstruction of Devastated Areas in the Far East in Mar. 1947 and as observer at the meeting of the Committee of the Whole of the Economic Commission for Asia and the Far East in July 1947. Was a member of the Special Trade Mission to Japan, June 1947.

3. France

Chairman: Woodruff Wallner, Department of State. Position: Associate Chief, Division of Western European Affairs, P-8. Age: 41. Degree: B. A. (Columbia). Graduate work at Columbia University; certificate from Sorbonne University; attended schools in France and Switzerland. Experience: Vice consul, Naples, 1935; Barcelona, 1937; Valencia, 1938; and Paris, 1939; third secretary at Paris in addition to duties as vice consul, 1940, also at Vichy, 1940-42; divisional assistant, Office of European Affairs, 1944; political and liaison officer, United States delegation, United Nations Conference on International Organization, San Francisco, 1945; country specialist, Division of Western European Affairs, 1945; assistant chief, Division of Western European Affairs, 1946.

Executive secretary: Ivan White, Department of State. Position: First secretary and consul, Paris, FSO-3. Age: 40. Degree: A. B. Experience: Appointed Foreign Service Officer, October 1, 1935; special assistant to secretary general, United Nations Monetary and Financial Conference, Bretton Woods, N. H., 1944; Paris, September 25, 1944, to present; liaison officer, inaugural meeting International Monetary Fund and International Bank for Reconstruction and Development, Savannah, 1946; first secretary and consul, Paris, July 18, 1947.

Maurice Levy-Hawes. (Mr. Levy-Hawes succeeded Mr. White on the latter's return to the Paris Embassy.) Executive secretary: Department of State. Position: Divisional assistant (economist). Western European Branch. Division of Financial Affairs. Office of Financial and Development Policy. P-5. Age: 34. Degrees: B. A. and M. A. (economics). Experience: December 1937 to September 1940, instructor in economics, Bard College, Columbia University; September 1940 to June 1941, lecturer in economics, Randolph-Macon College; January 1942 to February 1943, economist (conducting studies of wartime economic controls, chiefly in Germany, France, and United Kingdom), Office of Civilian Supply War Production Board; February 1943 to February 1946, United States Navy; February 1946 to present, economist, western European section in the Department of State.

Members: Taylor Musser, Department of Commerce. (See Committee on Belgium-Netherlands-Luxembourg.)

Albert O. Hirschman, Federal Reserve Board. Position: Economist, foreign areas section. Age: 33. Degrees: B. C., doctor in economic science, bachelor of commerce, and diploma in statistics. Experience: Rockefeller Foundation, research in international trade problems at University of California for 2 years; Carnegie endowment for international peace, research in China's monetary problems for 3 months; United States Army, attached to the Office of Strategic Services for 2 years, doing research on French and Italian economic problems, and spent time in those countries; Office of Business Economics for about 6 months; Board of Governors of the Federal Reserve System since November 4, 1946.

Frances Miller, Treasury Department. (See country committees—Belgium, Netherlands, Luxembourg.)

Staff: Clarence Seigel, Department of Commerce. (See country committees, Belgium, Netherlands, Luxembourg.)

Alfred Reifman, Department of State. Position: Economist, Economic Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research, P-5. Age: 28. Degrees: A. B. and M. A. (Economics.) Experience: Economist, Office of Price Admin., June 1941 to Oct. 1942; U. S. Army, 1942 to 1944; July 1944 to Sept. 1945, Economic Analyst, Office of Strategic Services (prepared reports on economic conditions in liberated Western Europe); Oct. 1945 to present, held responsible position of Economist, planning studies of the international financial position and credit needs of the European Countries, in the Economic Section, Northern and Western European Branch, Division of Research for Europe in the Department of State.

Val Lorwin,, Department of State. (See Manpower Committee.)

William Koren, Department of State. (See Coordinating Group for Country Studies.)

Leon Goldenberg, Department of State. (See Iron and Steel Committee.)

John Kean, Department of Commerce. Position: Business Economist (Foreign Trade) (P-3). Age: 26. Degrees: B. A., M. A., Economics. Experience: Four and one-half years as economist in the Department of Commerce, specializing on economic problems of France and French Overseas Areas. Member of Country Committee on France preparing for recent ITO Conference in Geneva. Author of numerous published and unpublished studies on the foreign trade of and economic conditions in France and French Overseas.

4. Greece

Chairman: William M. Rountree, Department of State. Position: Special Assistant for Economic Affairs, P-7, Office of Near Eastern and African Affairs. Age: 31. Degree: LL. B. (Columbus University, Washington, D. C.). Experience: August 1942 to November 1945, U. S. Foreign Service, American Legation, Cairo, Egypt, General Assistant to Principal U. S. Economic Representative to the Middle East. Has six years in Government fiscal program: Treasury; Budget Officer at Lend Lease Administration; served as assistant to Director of American economic operations in Middle East; representative on Anglo-American Middle East Supply Center.

Executive Secretary: John B. Lindeman, Department of State. Position: Assistant Chief in charge of British Commonwealth, Africa, and Middle East Section of the Division of Investment and Economic Development, P-7. Age: 35. Degrees: M. A. (Economics) A. B. Experience: September 1935 to October 1939, employed as salesman in various stores in North Carolina and Washington. Appointed to Department of Commerce as Economist in October 1939, where he served until March 1942. March 1942 to September 3, 1947, progressively responsible economic positions with the Office of Price Administration, including the positions of Associate Price Manager for control of prices on lumber and related products; Assistant Division Director in the Price Department. From September 3, 1946, to March 28, 1947, served as Head, Distribution and Control Unit in UNRRA, where, with two other unit members (one Russian and one English) visited countries receiving UNRRA assistance and appraised distribution. Surveys involved on-the-spot investigations in Austria, Yugoslavia, and Greece. From April 1947 to June 1947, reemployed in OPA as Assistant Director, Building and Construction. Appointed to American Mission for Aid to Greece on July 10, 1947, and later transferred to present position.

Members: Samuel Goldberg, Department of Commerce. Position: Business Economist (P-5), Office of International Trade. Age: 50. Degrees: B. C. S., L. L. B., Postgraduate work in economics and science. National University, Southeastern University. Experience: Specialized in Balkan and Near East affairs in Department of Commerce since 1924. Has traveled in Europe, Near East, North Africa, and Caribbean area.

J. Herbert Furth, Federal Reserve Board. (See Country Committees—Austria.)

George Willis, Treasury Department. (See Country Committees—Belgium, Netherlands, and Luxembourg.)

Staff: Arthur Beach, Department of State. Position: Chief, Economic Section, Near Eastern Branch, Division of Research for Near East and Africa, Office of Intelligence Research, P-6. Age: 40. Degrees: A. B. (Economics.) Experience: July 1927 to June 1938, Assistant Archivist, Department of State. July 1938 to February 1942, Associate Archivist, The National Archives. February 1942 to May 1942, Administrative Officer, The National Archives. June 1942 to July 1943, Chief, Document Security Section, Board of Economic Warfare. July 1943 to December 1943 served as Representative of the Department of State on the Policy Committee of the Board of Economic Warfare. December 1943 to July 1944, Assistant Chief, Textile, Clothing and Leather Section, Foreign Economic Administration. July 1944 to February 1945, Economic Analyst, American Economic Mission to the Middle East. February 1945 to December 1946, Economic Analyst, American Embassy, Cairo, Egypt. December 1946 to present, Chief, Economic Section, Near Eastern Branch, Division of Research for Near East and Africa in the Department of State.

Charles Glendining, Department of State, Position: Economist, Far and Middle Eastern and African Branch, Division of Financial Affairs, Office of Financial and Development Policy, P-6. Age: 31. Degrees: A. B., M. A. (Economics). Experience: June 1942 to July 1943, instructor in Economics, Princeton University. July 1943 to May 1947, Middle East Treasury Representative, participating in negotiations for financial settlements on surplus and lend-lease property in Turkey and other Middle Eastern countries. May 1947 to December 1947, Economist, Far and Middle Eastern and African Branch in the Department of State.

John M. Kennedy, Department of State. Position: Country Specialist, Central European and Italian Section, Division of Commercial Policy, P-6. Age: 47. Degrees: B. S. (Economics). Experience: Salesman and buyer of cotton, March 1920 to April 1924. Newspaperman December 1924 to August 1926. United States Assistant Trade Commissioner for Department of Commerce in Italy, October 1929 to July 1933. Information Specialist, Department of Agriculture, December 1933 to July 1940. Agricultural Economist, July 1939 to September 1944. Held responsible position of Country Specialist for matters involving the commercial policy of the United States with Germany or Italy in the Central European and Italian Section, Division of Commercial Policy in the Department of State.

Beatrice S. Baum, Treasury Department. Position: Economist, European Division, P-4, Office of International Finance. Age: 27. Degrees: A. B. (Economics). Experience: Over 5 years with Office of International Finance. Since October 1943 has been area specialist. Present assignment includes responsibility to Chief of European Division for Greece and Sweden.

5. Italy

Chairman: Walter C. Dowling, Department of State. Position: Assistant Chief of Southern European Affairs, P-7 (FSO-3). Age: 42. Degree: B. A. Experience: Appointed vice consul 1931. Assigned as Staff Member, United States Advisory Council for Italy, 1944. Assistant Chief of Southern European Affairs November 8, 1945 to present.

Executive Secretary: William Stibravy Department of State. Position: Assistant Chief, Eastern European Section, Division of Financial Affairs, Office of Financial and Development Policy, P-7. Age: 31. Degrees: A. B., M. A. (Economics). Experience: Associate Economist, Division of Monetary Research, Treasury Department, May 1941 to May 1942. Divisional Assistant (economist) in the Division of Financial Affairs, Office of Financial and Development Policy from May 1942 to August 1943 and May 1945 to March 1947. Served with the U. S. Army from August 1943 to May 1945. In March 1947 appointed to present position of Assistant Chief, Eastern European Section, Division of Financial Affairs, Office of Financial and Development Policy.

Members: Katherine Jacobson, Department of Commerce. Position: Chief Latin Section, P-6. Office of International Trade. Age: 42. Degrees: B. Sc. (math.) London; M. A. (economics) UCLA, 2 yrs. post grad. work in economics and statistics at Columbia where residence for Ph. D. was completed; grad. work at London School of Economics, 1933-34. Experience: 1937-40 Instructor of Economics, Brooklyn College; 1940-42 member of staff of Consumer's Div. of Council for National Defense; 1942-47 Office of Agricultural War Relations setting up statistical system for allocation of food out of US supplies and until April 1947 served as Chief of the Coordination and Statistics Div. of the Office of Requirements and Allocations (under several reorganizations of the USDA). Sept. 1947 to present Chief Latin Section, OIT, specializing in economic structure and foreign trade of Italy, Spain, and Portugal.

Albert Hirschman, Federal Reserve Board. (See Country Committees—France.)

George Willis, Treasury Department. (See Country Committees—Belgium, Netherlands, and Luxembourg.)

Staff: Gesualdo Costanzo, Department of State. Position: Divisional Assistant, P-5 Eastern European Section, Division of Financial Affairs, Office of Financial and Development Policy. Age: 31. Degrees: A. B., M. A., Ph. D. (Economics). Experience: Research Assistant at the Brookings Institution, Washington, D. C., from June to November 1940, where he was an associate author of "Nazi Europe and World Trade." Served as an economist at the Bureau of Mines, 1940 to 1941. From July to October 1941, worked as an economist for War Production Board, where he set up the system for compilation and analysis of munitions production. Professor of Economics at University of Maryland from September 1941 to May 1942. Economist at the U. S. Bureau of Foreign and Domestic Commerce from May 1942 to February 1943. Naval Intelligence officer from February 1943 to April 1946. In April 1946 appointed to present position in the Department of State.

George Tesoro, Department of State. Position: Economist, P-6, Europe, Africa, Near and Middle East Section, Division of Investment and Economic Development, Office of Financial and Development Policy. Age: 43. Degrees: J. D., Dr. of Political Science. Experience: Corporation lawyer and tax expert in Rome, Italy, 1927 to 1938; also instructed economics and related subjects at the University of Rome, 1929 to 1935 and the University of Bari 1935 to 1948. General manager of a chemical concern in Geneva, Switzerland, 1939 to 1940. Prepared and announced Italian news broadcasts from New York 1941 to 1942. Taught economics and related subjects at Lawrence College, Appleton, Wisconsin, January 1942 to May 1942. Lecturer in economics and related subjects at American University, Washington, D. C., June 1942 to present. Worked in the Office of Economic Warfare and Office of Emergency Management analyzing relief and rehabilitation requirements for specific areas throughout the world, March 1943 to June 1945. Chief of Research Section of the Italian Division in the Office of Emergency Management, directing Italian economic situation, January 1945 to August 1946. Appointed to present position with the Department of State in August 1946. Studied the Italian economic situation extensively and wrote several pamphlets and books on the subject. Member of American Economic Association; Royal Economic Society, London; Tax Institute; American Academy of Political and Social Sciences.

Jacob Kaplan, Department of State. (See Inland Transport Committee.)

Clinton L. Doggett, Department of State. Position: Economist, P-2, Economic Section,

Southern European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 26. Degrees: A. B. (Economics, M. A. (International Economics). Experience: Appointed to present position October 1946. Prepares interpretive and analytical research reports relating to the economic conditions of the countries of southern Europe.

Seymour Pollack, Treasury Department. Position: Economist, P-4, Office of International Finance. Age: 28. Degree: B. A., plus 1½ years of graduate school (economics). Experience: Four years' specialization in financial and economic research and policy work of U. S. Treasury relating to Italian economy. Three months overseas experience in 1945 in Treasury office in Italy to make first-hand survey of conditions in Italy following the liberation of northern Italy from the Germans. Acted as Treasury country specialist advisor to members of technical staff of Herter committee who desired information regarding administration plans for interim-aid program in 1947.

6. Scandinavia

Chairman: Robert Hooker, Department of State. Position: Associate Chief, Division of Eastern European Affairs, grade P-8. Age: 46. Degrees: A. B. and J. D. Experience: Assistant to Commissioner, U. S. Maritime Commission, 1941-43; executive assistant to Assistant Secretary of State, 1943; special assistant to the Director of Office of Transportation and Communications, 1945; Assistant Chief, Division of Eastern European Affairs, 1945; member, U. S. Delegation, International Conference on European Inland Transportation, London; adviser to U. S. member, 4th session of the Council, United Nations Relief and Rehabilitation Administration, Atlantic City, N. J., 1944; adviser to U. S. member, 5th session of the Council, United Nations Relief and Rehabilitation Administration, Geneva, Switzerland, 1946.

Executive Secretary: L. Randolph Higgs, Department of State. Position: Counselor, Bern, grade FSO-3. Age 38. Experience: Appointed Foreign Service officer, December 17, 1931; Helsinki, vice consul, third secretary, July 23, 1936-May 10, 1940; Stockholm, vice consul, second secretary, April 1, 1944-July 1, 1944; Helsinki, secretary of the mission, December 6, 1944-February 27, 1945; Stockholm, February 27, 1945-March 2, 1945; Helsinki, March 2, 1945-May 1, 1945; Stockholm, consul, second secretary, May 1, 1945-October 7, 1947; Stockholm, consul, first secretary, June 5, 1945-September 7, 1947; Bern, counselor, September 7, 1947, to the present.

Members: Grant Olson, Department of Commerce. Position: Business Economist (P-5). Age: 43. Degrees: A. B., Lutheran College, Decorah, Iowa; M. A., American University. Experience: Member of the staff of the American Consulate General, Stockholm, Sweden, 1927-29, working on trade promotion, commercial and economic reporting; 1930-36, Bureau of the Census, Division of Wholesale Distribution, and Field Supervisor business, agriculture and manufacturers censuses; Tariff Division of Bureau of Foreign and Domestic Commerce, trade-control analyst for Scandinavian and Baltic countries, 1936-40; Regional Division of Bureau of Foreign and Domestic Commerce, economic analyst for Scandinavian countries, 1940-42. Attaché, American Legation, Stockholm, Sweden, 1943-45. Assistant Commercial Attaché, 1945. Member of European Division, 1946 to present, handling Norway and Sweden.

Robert Bean, Federal Reserve Board. (See Committee on Belgium, Netherlands, and Luxembourg.)

George Willis, Treasury Department. (See Committee on Belgium, Netherlands, and Luxembourg.)

Staff: George Alsberg, Department of State. Position: Economist, Economic Section, Northern and Western European Branch; Division of Research for Europe, Office of Intelligence Research, grade P-4. Age: 32. Degree: A. B. Experience: Research in the occupational status of the Negro in Virginia in capacity of consulting engineer with the Virginia State Board of Education, April to September 1940. Served in the United States Army, 1942 to 1945. Appointed as an economist with the Department of State, September 1946, and to present position, November 1947. Attended school in France and Germany, 1931-32.

Richard C. Breithut, Department of State. Position: Economist, Western European Section, Division of Financial Affairs, Office of Financial and Development Policy, grade P-7. Age: 47. Degrees: B. S. and M. A. Experience: Investment analyst in New York, July to September 1933; research associate with Twentieth Century Fund, Inc., New York, October 1933 to January 1934, where he participated in a survey of the security markets; economic instructor (evenings) at Brooklyn College, Brooklyn, N. Y., September 1933 to June 1934; economic instructor at Western Reserve University, Cleveland, Ohio, September 1934 to February 1939; economist with the Federal Reserve System, Washington, D. C., February 1939 to July 1941; economist with the Treasury Department, Washington, D. C., July 1941 to May 1942; United States Army, May 1942 to November 1945, where he was Chief of the Analysis and Plans Branch with the Army Air Forces; appointed to the Department of State as an economist in the Western European Section in December 1945 and appointed to present position March 1947.

Elenor G. Murphy, Department of State. Position: Divisional Assistant, Western European Section, Division of Financial Affairs, Office of Financial and Development Policy, grade P-5. Age: 38. Degrees: B. A. and M. A. Experience: Employed in various offices as an economist and statistician, 1935-36; economist with the Department of Commerce, War Plants Corporation, and War Assets Administration, November 1939 to October 1947; appointed to present position with the Department of State, October 1947.

Eddie W. Schodt, Department of State. Position: Research analyst, Northern European Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research, grade P-4. Age: 33. Degrees: B. A. and M. A. Experience: Research assistant with Office of Strategic Services, Feb. 1942 to Sept. 1942, where he assisted the Chief of the Scandinavian Section in compiling and analyzing data and preparing reports on Scandinavia; counterintelligence officer with U. S. Army, Sept. 1942 to April 1946; appointed to present position with the Department of State in June 1946, where he has been analyzing and evaluating political and social materials on the Scandinavian countries.

Ellen Maloney, Treasury Department. (See County Committees—Belgium, Netherlands, Luxembourg.)

7. Switzerland—Portugal

Chairman: Auterbridge Horsey, Department of State. Position: 2nd secretary, Consul (FSO-3). Age: 37. Degrees: B. A., S. B. Experience: Special assistant at National Emergency Council, 1934 to 1936. Appointed Foreign Service officer April 6, 1938. Attached to office of President's special representative and Chief Civil Affairs Officer February 3, 1943, to September 19, 1944. Detailed to the Department September 19, 1944. Assistant Chief, Division of Western European Affairs.

Executive secretary: William G. Conklin, Department of State. Position: Country specialist, P-6. Division of Western European Affairs. Age: 42. Degrees: A. B., B. S. Experience: Library assistant at Princeton University October 1933 to September 1936. Vice Consul at Geneva and Antwerp April 1938 to February 1942. Economic analyst with the Foreign Economic Administration February 1942 to September 1945, where he analyzed and evaluated material concerning the economic position of the European enemy. Service as a member of the Combined Economic Warfare Agency in Cairo and Athens, 1944 to 1945. Transferred to the Department of State, October 1945, where he served as Acting Chief of the Export-Import Section. Assigned as country specialist in July 1946 and promoted to present position in August 1947. Prior to his appointment with the Department of State, 1936 to 1938, he studied subjects such as international law, international trade, commercial law, economics, history, and finance.

Members: Charles Barrett, Department of Commerce. Position: Business economist, P-3. Office of International Trade. Age: 30. Degree: AB in economics, Boston College, 1939. Experience: 3 years' experience in Bureau of Foreign and Domestic Commerce of which 17 months have been spent as a business economist on the Swiss country desk in the European Division. Three years in United States Army, of which 15 months spent in the European theater of operations.

Albert Hirschman (see Country Committees—France).

James Wood (see Country Committees—Austria).

Staff: Edmund A. Da Silveira, Department of State. Position: Research Analyst, P-3; Western European Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 33. Degree: A. B. (Spanish). Experience: Taught Portuguese at the Universtiy of Washington, Seattle, Wash. September 1941 to June 1942. Research Analyst with War Department, Washington, D. C., June 1942 to October 1943. Served with U. S. Army, October 1943 to July 1946, where he did military intelligence work. Appointed to present position with the Department of State, October 1946.

Raymond Fernandez, Department of State. Position: Research Analyst, P-5; Economic Section, Northern and Western European Branch, Division of Research for Europe, Office of Intelligence Research. Age: 44. Degree: LL. B. Experience: Worked for a firm of importers and exporters in London, England, February 1921 to August 1922. Worked in various offices in Antequero, Spain, October 1922 to July 1925. Purchasing agent and expediter for furniture manufacturers at Manila, Philippine Islands, July 1925 to May 1928. Aid to Administrative Director of the Legal Division, National Recovery Administration, Washington, D. C., July 1933 to August 1935. Senior Audit Reviewer in the Allowance Review Section, General Accounting Office, August 1935 to September 1942. Administrative Analyst, Board of Economic Warfare, Washington, D. C., September 1942 to June 1943. Chief, Foreign Administrative Services Division, Foreign Economic Administration, July to December 1943. Assistant Executive Officer, Foreign Economic Administration, January to September 1944. Economic Analyst, Department of State, Paris, France, September 1944 to November 1946. Research Analyst, Department of State, Washington, D. C., November 1946 to date.

Maurice Levy-Hawes (see Country Committees—France).

Nicholas Milroy, Department of State. Position: Economist, P-4; Economic Section, Northern and Western European Branch, Division of Research for Europe. Age: 37. Degree: M. S. (Economics and Business Administration). Experience: First Assistant Manager, Foreign Department, Hungarian General Credit Bank, Budapest, Hungary, October 1936 to January 1940. Consultant on international banking and translator, May 1941 to June 1943. Served with Military Intelligence Division, U. S. Army, January 1943

to August 1945. Appointed as Economic Analyst, Foreign Economic Administration, August 1945. Transferred to Department of State as Country Specialist, July 1946; reassigned as Research Analyst, March 1947. Resided and attended schools in Hungary and Switzerland.

Fred Neter, Treasury Department. Position: Translator, CAF-7, European Division, Office of International Finance. Age: 34. Experience: Six months at Tariff Commission (American Economic and Financial Advisory Mission to the Minister of Finance at Venezuela). Three years in Latin American diplomatic headquarters. Two years with Foreign Funds Control, Treasury Department, Washington. Eighteen months with Treasury Department, Washington, devoted in part to special research work on the economic structure and development of the countries of the Iberian Peninsula, with particular emphasis on public finance, administrative controls, foreign trade, international financial position, and related phases of the respective national economy. In this connection, familiarity with the pertinent languages enhanced the scope of research activities considerably. Attendance at various international conferences (including First Annual Meeting of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development) only in the capacity of interpreter.

Seymour Pollack. (See Country Committees—Italy.)

8. Turkey

Chairman: Paul McGuire, Department of State. Position: Assistant Chief, Financial Affairs. Age: 33. Degrees: B. A., M. A. Experience: Business Economist, Petroleum Price Branch, OPA, June 1941 to April 1943; divisional assistant, Office of Adviser on International Economic Affairs, and Divisional Assistant and Economist, Division of Financial and Monetary Affairs, P-6, 2 years; Assistant Chief, Division of Financial Affairs, Far and Middle East and African Section, P-7, 21 months; Associate Chief, Division of Financial Affairs, P-8, 1 year. July 1938 to October 1939, Rate Analyst with Public Service Commission of Wisconsin.

Executive Secretary: Herbert Cummings, Department of State. Position: Assistant Chief, P-7. Age: 32. Degrees: B. S., M. A. Experience: Teacher of commercial subjects in high school, September 1937-May 1938; instructor in economics and accounting, University of Pittsburgh, September 1938-November 1941; Economist with Department of State, Division of Foreign Activity Correlation, November 1941-March 1943; Economic Analyst at Istanbul, Turkey, March 1943-December 1944; appointed to present position, January 1945.

Members: Samuel Goldberg, Department of Commerce. (See Committee on Greece.)

J. Herbert Furth, Federal Reserve Board. (See Committee on Austria.)

William L. Hebbard, Treasury Department. Position: Chief, British Empire and Middle East Section, P-7, Office of International Finance. Age: 35. Degrees: B. S., M. A. Experience: One year as special assistant to Director of Geneva Research Centre, Geneva, Switzerland (1938-39), specializing in European trade and investment problems (prior to Treasury employment); employed by Treasury since 1940; earliest work on U. K. investments throughout the world, problems of financing British war effort; in 1941 assigned to Manila (United States High Commissioner to Philippines) in charge of census of foreign-held assets in United States and Territories, Philippine Islands; in 1945 returned to Washington; in charge of United Kingdom and British Empire work; in this position since that time.

Staff: Francis Boardman, Department of State. Position: Country Specialist, P-5, Near and Middle Eastern and African Affairs Section, Division of Commercial Policy. Age: 32. Degree: B. A. Experience: Teacher of English and Sociology at American University, Beirut, Lebanon, Syria, September 1938-September 1941; economic analyst, Foreign Economics Administration, April 1942-March 1944; economist with Department of State, July 1944; country specialist with Department of State, April 1945; from October 1941 to February 1942, traveled throughout the Middle East and India.

Charles Glendenning, Department of State. (See Committee on Greece.)

Gideon Hadary, Department of State. Position: Research analyst, P-5, Economic Section, Near Eastern Branch Division of Research for Near East and Africa. Age: 28. Degrees: B. S., M. S., Ph. D. Experience: Research consultant with the National Affairs Council, Chicago, Ill., May, 1940-June 1943; agricultural economist with Department of Agriculture, Chicago, Ill., and Washington, D. C., June 1943-November 1944; served with the United States Army, attached to the Office of Strategic Services in Cairo, Egypt, November 1944-December 1945; appointed to present position with the Department of State, January 1946.

Harry S. Weidberg, Treasury Department. Position: Economist, P-4, Office of International Finance. Age 38. Degrees: B. A., LL. B. Experience: Served as Treasury representative on the country committee in compilation of pertinent statistics on finance, trade, etc.; drafted sections of country study text; served as technical advisor to NAC staff committee on Maritime Commission credit to Turkey; prepared NAC staff committee paper on the par value of the Turkish currency; participated in interdepartmental meetings with Turkish committee; attended on questions concerning Turkish availabilities for meeting United States obligations.

9. United Kingdom and Ireland

Chairman: Avery Peterson, Department of State. Position: First secretary, consul, FSO-3. Age: 41. Degree: B. S. Experience: Trade Commissioner, Ottawa for Department of Commerce, August 11, 1930, to July 1, 1939; appointed Foreign Service officer July 1, 1939; served in London March 17, 1942, to December 15, 1947; appointed first secretary and consul, London, June 5, 1945; appointed to post in Stockholm December 15, 1947.

Chairman (Mr. Jackson succeeded Mr. Peterson on the latter's return to his post abroad): Wayne Jackson, Department of State. (See Organization and Administration Committee.)

Executive secretary: Herbert P. Fales, Department of State. Position: Assistant Chief, Division British Commonwealth Affairs. Age: 43. Degree: A. B. Experience: 1928-33, worked for the Security National Bank, Pasadena, Calif., was promoted to cashier; 1933-34, made special study of trust department of Northwestern National Bank & Trust Co. of Minneapolis, Minn.; July 8, 1937, appointed Foreign Service officer, July 8, 1937, to June 17, 1938, Berlin; July 19, 1938, to June 12, 1940, Vienna; October 6, 1944, to November 7, 1946, London; January 2, 1947, Assistant Chief, Division of British Commonwealth Affairs.

Members: John Cassels, Department of Commerce. (See Correlation Committee.)

Charles Harley, Federal Reserve Board. Position: Economist, International Economic Policy Section. Age: 35. Degrees: A. B., M. A. Experience: Board of Governors of the Federal Reserve System since March 18, 1941.

William Hebbard, Treasury Department. (See Committee on Turkey.)

Staff: John Lindeman, Department of State. (See Committee on Greece.)

Alex Rosenson, Department of State. Position: Assistant Chief, British Commonwealth Section, Division of Financial Affairs, Office of Financial and Development Policy, P-7. Age: 47. Degrees: B. S., M. A. (Economics); Graduate work in Economics. Experience: In retail clothing business from 1923-36; attending Universities of Chicago and California from 1936 to 1940; September 1940 to November 1940, research worker for Brookings Institution; Economist for the Federal Deposit Insurance, November 1940, to June 1942; appointed to the Department in June 1942, and since that time has held responsible positions in the economic field, including positions in the Divisions of Economic Studies and Financial and Monetary Affairs.

James H. Lewis, Department of State. Position: Country Specialist, Division of Commercial Policy, Office of International Trade Policy, P-6. Age: 35. Degrees: A. B. (Economics, Political Science, History), A. M. (International Law). Experience: Responsible positions within the Department of State from March 1936 to April 1942 in the economic field; served as Economic Analyst (Foreign Service), in the American Embassy, London, from April 1942 to March 1944, at which time he was reappointed to the Department as assistant in the Division of Commercial Policy, working on the initiation and execution of action in the field of commercial policy involved in the relations of this Government with the British Empire.

J. David Linebaugh, Department of State. Position: Attaché (Political Reporting), London (FSR-4). Age: 29. Degrees: A. B., M. A. Experience: 1942—Jr. Professional Assistant, Board of Economic Warfare; 1942-44—Administrative Assistant, Bureau of the Budget; 1943—attended first UNRRA conference as assistant to Secretary General; 1944—analysis of United States administrative relations with international organizations; 1944—appointed Divisional Assistant, Department of State; 1945—Country Specialist, State Department (Ireland); 1946—attended UN General Assembly, London; November 16, 1947—appointed attaché (Political Reporting) London.

Edward N. Cooper, Department of State. Position: Chief, British Commonwealth Economic Section, P-6, Division of Research for Europe. Age: 35. Degrees: B. A., M. B. A. (economics). Experience: July 1938 to July 1940, economist in the Federal Housing Administration; July 1946 to Oct. 1940, economist with the Temporary National Economic Committee; Oct. 1940 to Nov. 1941, economist in the office of the Secretary of Commerce, working on St. Lawrence seaway and power project studies—in this connection, appeared before Congress with the Director in the capacity of adviser on economic activity and growth, foreign trade, and transportation, material, and labor costs, etc.; Nov. 1941 to April 1946, economic business specialist with OPA; April 1946 to March 1947, deputy to the Assistant Director of the Conventional Program Division, NHA, working on economic studies relating to capacity and expansion possibilities of industries producing raw materials, impact of program on economy, etc.

Joseph H. Sweeney, Department of State. Position: Chief, British Commonwealth Branch, Division of Research for Europe, P-7. Age: 35. Degrees: A. B., M. S. in S. W., M. F. S., Ph. D. (European diplomatic history, international law and relations). Experience: Apr. 1935 to Oct. 1935, California State Relief Administration, as an intake supervisor of the Compton district; Nov. 1935 to Aug. 1936, WPA, as supervisor of intake and certification; Aug. 1936 to July 1941, California State Relief Administration, as field supervisor, 1941 to 1943, attending school; Dec. 9, 1943, to present in progressive responsible positions with OSS and the Department of State, including positions concerned with evaluation of material of significant importance on Ireland and the Celtic peoples of northern France.

Leocade Leighton, Department of State. Position: Economist, British Commonwealth Branch, Division of Research for Europe, P-5. Age: 30. Degrees: A. B., M. A., Ph. D. (economics). Experience: Sept. 1939 to June 1940, jr. claims examiner for American Liability Insurance Co.; June 1940 to Sept. 1941, clerk at Civil Service Commission; Oct. 1941 to Mar. 1946, progressively responsible professional positions in the field of economic research; Mar. 1946 to Sept. 30, 1947, asst. to Director of the Program Determination and Review Branch, Veterans' Emergency Housing Program, NHA, responsible for economic aspects of industrialization program, such as market need and recommendations on specific application by producers for Government financial assistance; also directed economic research staff.

Frances L. Hall, Department of Commerce. Position: Business Economist, P-5. Age: 32. Degree: A. B. (University of Missouri). Experience: Consumption Level Enquiry, United States-United Kingdom, Canada-Ottawa and Washington, 1943; Combined Working Party on European Food Supplies, London, 1944 and 1945; served one year in London; special meeting on Emergency Food Problems, FAO, Washington, 1946; part-time instruction, Stephens College, 1938-40.

Cromwell Riches, Department of Commerce. Position: Chief, United Kingdom Section, P-6. Age: 44. Degrees: A. B., Reed College, A. M., Columbia University, Ph. D., Johns Hopkins. Experience: Chief, United Kingdom Section since May 1946; as U. S. Naval Officer served with European Advisory Commission, London, February 1944 to August 1945; assisted in tariff negotiations with the British, Geneva Conference on Trade and Employment, April 1947 to September 1947; instructor and associate professor of political science, Goucher College and Johns Hopkins University, 1927-41.

F. Lisle Widman, Treasury Department. Position: Economist, Office of International Finance, P-3. Age: 28. Degrees: M. A., international economics, B. J., journalism. Experience: British Empire Division, Office of International Finance, assigned to do research and give technical advice on financial questions relating to the United Kingdom and its dependencies. Participated in NAC Staff Committee Working Group on Implementation of Anglo-American Financial Agreement, in numerous interdepartmental discussions over the past year relating to this agreement, in the technical discussions with representatives of the British Government in August 1947, and in conferences with members of the United Kingdom Treasury Delegation in Washington on a number of occasions. Has cooperated in preparing studies of the British international financial position, of British exchange controls, of the significance of segmentation in Britain's balance of payments.

10. Western Germany

Chairman: Edwin M. Martin, Department of State. Position: Chief of Branch, Division of Occupied Areas Economic Affairs. Age: 39. Degree: B. A. Experience: September 1928-35, teaching assistant in political science, Northwestern University; April 1935 to September 1938, Bureau of Budget; September 1938-September 1941, Economist for Bureau of Labor Statistics; September 1941-June 1944, Director, Urgency Rating Division; June 1944-October 1945, Deputy Chief, Far East Division, and Chief, Economic Subdivision, OSS, on strategic intelligence problems with emphasis on economic matters (18 months); on detail from OSS to Department of State as adviser on Far East economic affairs, 4 months; adviser on Japanese economic affairs, 2 months; appointed Chief, Division of Japanese and Korean Economic Affairs, December 1945.

Chairman (Mr. Margolies served as Chairman while Mr. Martin attended the meetings of the Council of Foreign Ministers in London): Daniel Margolies, Department of State. Position: Assistant Chief, P-7, Division of Occupied Economic Affairs. Age: 37. Degrees: A. B., LL. B. Experience: September 1935 to June 1936, attorney, Resettlement Administration; June 1936 to June 1940, associate counsel, Subcommittee of the U. S. Senate Committee on Education and Labor, Washington, D. C.; June 1940 to October 1942, Chief Counsel, OPA; June 1942 to October 1942, Counsel for the Rubber Division, BEW; Oct. 1942-September 1943, Adm. Asst. in RFC; December 1943-June 1945, intelligence officer, OSS, Washington, D. C., and ETO, on military and economic intelligence concerning Germany during the war and, after VE-day, development of political, economic, and biographical data, 19 months; assistant to executive trial counsel of U. S. Staff at International Military Tribunal at Nurnberg trials, 18 months.

Executive secretary: Coburn Kidd, Department of State. Position: Country Specialist, Division of Central European Affairs, P-6. Age: 38. Degrees: M. A., Ph. D., LL. B. Experience: May 1940-March 1943, member of legal staff of Special Counsel, Trustees of Associated Gas and Electric Corp.; November 1943-November 1945, Economic Analyst with OSS; transferred to Department by E. O.; Mr. Kidd has traveled extensively Europe, British Isles; residence in France and Germany 1945, is said to possess a specialized and detailed knowledge of German economy, finance and industry.

Members: Karl Koranyi, Department of Commerce. (See Committee on Austria.)

J. Herbert Furth, Federal Reserve. (See Committee on Austria.)

James Wood, Treasury Department. (See country committees—Austria.)

Col. Charles Blumenfeld, Department of the Army. Position: Special Assistant to the Under Secretary of the Army. Age: 40. Degrees: B. A., LL. D. Experience: Practising attorney, Chicago, Ill. 1930-1940; Chief, Civil Branch, G-4 Division, USFET (including coordination of US military and US Military Government activities in Germany from a logistic standpoint) (1946) Acting Deputy Director, Economics Division, OMGUS (November-December 1946); Bizone Germany Country Committee.

Don D. Humphrey, OMGUS. (Returned to OMGUS, Germany, personnel data at OMGUS headquarters.)

Staff: George Jacobs, Department of State. Position: Divisional assistant, P-5, Division of Occupied Area Economic Affairs. Age: 28. Degree: A. B.; graduate work. Experience: June 1939-September 1939 (school), July 1940-January 1942, WPA as statistical clerk and associate social economist; January 1942 to November 1943, associate statistican, WPB; November 1943 to present, with OSS and State in progressively responsible position concerned with economic analyses.

William Parker, Department of State. Position: Economist, P-5, Central European Branch, Division of Research for Europe. Age: 28. Degrees: A. B., M. A. Experience: June 1941-November 1941, economist, OPA; November 1941 to November 1943 in U. S. Army; November 1943 to November 1945, economist with OSS; December 1945 to October 1946, economic analyst with U. S. Senate, Special Committee on Atomic Energy; appointed to Department, January 1947, as economist, planning and conductive research and preparing analytical reports on Czechoslovakia and eastern Germany.

Fred Sanderson, Department of State. Position: Chief, Central European Section, Division of Research for Europe, P-6. Age: 33. Degrees: A. M. Ph. D. (also study abroad). Experience: November 1938-September 1943, Research associate and teaching fellow in economics at Harvard—concurrently employed by the Division of Agriculture Studies, Department of Agriculture; October 1, 1943, to present highly responsible positions in the field of economic research with the Office of Strategic Services, which function was later transferred to the Department of State. Mr. Sanderson was in charge of the agriculture and standard of living work in the European theater of operation. He worked directly for the Allied Control Council for Germany, SAAEF, the American Embassies, and other operating agencies, and represented OSS on the combined working party on European food supplies. Mr. Sanderson was born in Kassil, Germany, has traveled extensively, and speaks, reads, and understands German, French, and English. One of Mr. Sanderson's publications, Methods of Crop Forecasting, was awarded the David Wells prize in 1944.

June Boeckman, Department of State. Position: Economist, P-3, Division of Research for Europe, Central European Branch, Economic Section. Age: 29. Degree: A. B. Experience: October 1941-April 1944 served as Assistant Economist in OPA; May 1944-October 1945, served as Business Editor and wrote articles for Research Institute of America, New York, N. Y.; October 1945-December 1946, employed as Staff Assistant for the American Red Cross, stationed in Osaka, Japan.

Herbert H. Marcuse, Department of State. Position: Chief, German Section, Central European Branch, Division of Research for Europe, P-6. Age: 49. Degree: Ph. D., University of Berlin. Experience: Mr. Marcuse was born in Berlin, Germany, and attended school there. From 1932 to 1934 he served as a Research Assistant at the Institut de Recherches Sociales, Geneva, Switzerland; 1934-November 1942, he was Research Associate at the Institute of Social Research, New York, New York, during which time he wrote several articles and a book in addition to teaching at Columbia University. From December 1, 1942, to April 1943, he served with the former Office of War Information, advising on information policies to the employed in the European Axis countries; in April 1943, he transferred to the Office of Strategic Services, serving as Senior Intelligence Analyst on Germany and Central Europe. This function with personnel was transferred to the Department of State, July 1, 1946.

Stanley Sommerfield, Treasury Department. Position: Attorney in the Office of the General Counsel, P-2. Age: Date of birth May 16, 1919. Degree: LL. B. Experience: Mr. Sommerfield was a member of the Legal Division of the Treasury Department for approximately a year prior to entry into the active military service on February 18, 1943. In that capacity he worked primarily on foreign funds control problems relating to Latin American countries. Upon return from military duty in May 1946, he has been working upon all financial matters on Treasury interest concerning Germany and Austria. In that capacity he has been acting as a legal adviser to the Anglo-American Coal Conference, the USUK Conference on Revision of the German Bizonal Fusion Agreement, and the Treasury delegate to the Interdepartmental Committee on Occupied Areas Affairs.

Maj. William Reed, Department of the Army. (Data unavailable.)

Wilfred Garvin, Department of the Army. (See Food and Agriculture.)

Saul Nelson, OMGUS. (Returned to OMGUS, Germany. Personnel data at OMGUS headquarters.)

(2) Executive Committee on Economic Foreign Policy: subcommittees for ERP

(a) Working group on the relationship between the ERP and the UN and specialized organizations.

Chairman: Leroy D. Stinebower, Department of State. Position: Special Assistant to Assistant Secretary for Economic Affairs, P-8. Age: 43. Degrees: A. B., A. M. (Economics). Experience: Instructor and assist-

ant professor in economics Allegheny College, 3 years. Divisional Assistant, Division Chief, Economic Adviser, Deputy Office Director and Special Assistant to Assistant Secretary for Economic Affairs, in economic area of Department of State, 14 years, from March 6, 1934, to date. Served as: Technical adviser, Inter-American Conference for Maintenance of Peace, Buenos Aires, 1936; liaison with Joint Economic Commission between Canada and United States, 1941–44; adviser and executive secretary of United States delegation to United Nations Conference on Food and Agriculture, Hot Springs, Va., 1943; adviser, United States delegation, first session of the Council, United Nations Relief and Rehabilitation Administration, Atlantic City, 1943; Secretary of Commission, United Nations Monetary and Financial Conference, Bretton Woods; alternate United States representative, United Nations Interim Commission on Food and Agriculture; adviser to United States delegation on International Organization, San Francisco; adviser, United States delegation, Preparatory Commission of the United Nations Food and Agriculture Organization.

Members: Miriam Camp, Department of State. Position: Divisional Assistant, P–6, Office of the Assistant Secretary for Economic Affairs. Age: 31. Degrees: B. A., M. A. Experience: Economic analyst, Office of Price Administration, 1939–42; economic analyst, Board of Economic Warfare, Office of Exports, 1942 to 1943; economic analyst, United States Embassy, London, 1943 to 1945; economic analyst, Mission for Economic Affairs, United States Embassy, London, May to August 1945; Foreign Service Staff Officer, class 6, United States member of Secretariat of Emergency Economic Committee for Europe, United States Embassy, London, 1945 to 1947.

Otis E. Mullikin, Department of State. Position: Adviser, P–8, Division of International Organization Affairs. Age: 42. Degrees: A. B., M. A., Ph. D. Experience: Teacher in public school 1928 to 1930. Instructor, University of California, 1930 to 1932. Chief of Labor Division, Department of Agriculture, 1935 to 1943. Appointed Assistant Adviser on international economic affairs in Department of State, 1943; Assistant Chief, Office of Special Assistant to the Under Secretary, 1943; Assistant Chief, Division of Labor Relations, 1944; Acting Chief, temporary, Division of Labor Relations, 1944; Chief, Division of Labor Relations, 1944; adviser to United States delegation, 26th session of International Labor Conference, Philadelphia, 1944; Chief, Division of International Labor, Social and Health Affairs, 1944; technical expert, United States delegation, United Nations Conference on International Organization, San Francisco, 1945; consultant on State Department policy, 27th session, International Labor Conference, Paris, 1945; adviser on technical problems, United States delegation, first part of first session of the General Assembly, United Nations, London, 1946; Secretary General, United States delegation, International Health Conference, New York, 1946.

Thomas C. Blaisdell Jr., Department of Commerce. (See Advisory Steering Committee.)

Iver C. Olsen, Treasury Department. Position: Assistant Chief, Commercial Policy and United Nations Division, CAF 14. Age: 43. Degree: No degree, majored in economics. Experience: Research Analyst, Bureau of Foreign and Domestic Commerce, Department of Commerce, 1929 to 1933. Regional Financial Adviser, Public Works Administration, 1933 to 1940. Consultant, Division of State and Local Government, Department of Commerce, 1940. Special Assistant to the Director, Foreign Funds Control, Treasury Department, 1940 to 1943. Financial Attaché, American Embassy, Stockholm; Treasury Attaché, American Embassy, The Hague; 1943 to 1946. Office of International Finance, Treasury Department, 1946 to present.

Robert B. Schwenger, Department of Agriculture. Position: Agricultural Economist, P–7. Age: 41. Degree: B. A. (economics). Experience: 1932 to 1933 employed by University of Chicago on research in international economic relations. 1934 to 1935, Agricultural Adjustment Agency as statistician. 1935 to present, Office of Foreign Agricultural Relations occupying position of Agricultural Economist and since 1944 has been serving as Head, International Economic Studies Division. As Head of this Division directs research and investigations of international agricultural resources, trends and practices, is responsible for statistical coordination and analysis of world agricultural data compiled by the branch, directs and is responsible for special reports for use by Congress and other Government agencies.

(b) Working group on the relationship between ERP and ITO

Chairman: Paul H. Nitze, Department of State. (See Advisory Steering Committee.)

Members: Ben T. Moore, Department of State. (See Staff Group for Correlation Committee.)

George Bronz, Treasury Department. Position: Special Assistant to the General Counsel, P–7. Age: 37. Degree: LL. B. Experience: Mr. Bronz had ten years Federal Government experience in various legal positions prior to his appointment as an attorney in the Treasury Department in August 1943, since which time he has served continuously in a responsible legal capacity. The major portion of his duties in the Treasury have related to financial problems involving liberated areas formerly under the control of the Axis, especially those in Europe. Mr. Brown was in charge of Treasury legal activities in connection with the formulation and administration of numerous fiscal programs and controls established by the Army in occupied territory (North Africa, Italy, France, Germany) including monetary and banking reform, military currency problems, Army exchange problems, supplies, etc. Aside from a special assignment to Siam in March 1946 in connection with the establishment of a Siamese exchange rate, the only international conferences attended by Mr. Bronz have been as a result of his participation in the abovenamed committee. They are as follows: First session of the Preparatory Committee of the United Nations Conference on Trade and Employment, London, October-November 1946; second session of the Preparatory Committee of the United Nations Conference on Trade and Employment, Geneva, May-August 1947; the United Nations Conference on Trade and Employment, Habana, Cuba, November 1947 to present time, where Mr. Bronz is a technical adviser on the United States delegation.

Morris Fields, Treasury Department. (See Executive Committee on Economic Foreign Policy.)

Oscar Zaglits, Department of Agriculture. Position: Agricultural Economist, P–6. Age: 50. Degrees: Doctor-rerum politicarum, Ph. D. (University of Vienna). Experience: 1922 to 1924, Executive Secretary and Bank Examiner, Federal Bank Commission of the Austrian Republic, Vienna, Austria. 1924 to 1939, Executive Director and Assistant to the Executive Director, State Mortgage Corporation for Lower Austria. 1939 to 1940, consulting work in the field of agricultural credit for British Ministry of Agriculture and Fisheries. 1940 to 1943, Agricultural Economist for Bureau of Agricultural Economics, Department of Agriculture. (Research on problems of international finance as related to agriculture, foreign and international credit, war financing and inflation control and post-war financial reconstruction.) 1943 to present, in charge of Finance and Trade Policy Section, Office of Foreign Agricultural Relations, Department of Agriculture.

Henry Chalmers, Department of Commerce. Position: Consultant on Commercial Policy, OIT, P–7. Age: 55. Degrees: A. B. and A. M., Cornell; Ph. D., Brookings Institute. Experience: Formerly Chief of Division of Foreign Tariffs, BFDC; since 1941, Consultant on Commercial Policy; participant in various international economic conferences, including: International Customs Conference, 1923, as representative of Department of Commerce; World Economic Conference, Geneva, 1927, as adviser on commercial policy to Norman Davis; International Economic and Financial Conference, London, 1933, as adviser on commercial policy to Secretary Hull.

Lynn R. Edminster, United States Tariff Commission. (See Executive Committee on Economic Foreign Policy.)

(c) Working group on domestic controls needed to implement the ERP

Chairman: Donald D. Kennedy, Department of State. Position: Chief, International Resources Division. Age: 47. Degrees: B. S., M. A., Ph. D. (Economics). Experience: Instructor in Economics from 1924 to 1942. Price Executive, OPA, 1942 to 1944. Assistant general manager of steel company, 1 year. Chief of Commodities Division and of International Resources Division, May 1945 to date. United States representative, second meeting, Rubber Study Group, London, 1945; technical adviser, United States delegation, International Whaling Conference, London, 1945; chairman, United States delegation, conference on tin, London, 1946; adviser, United States delegation, first meeting of Preparatory Committee, International Conference on Trade and Employment, London, 1946; United States delegate, third meeting, International Rubber Study Group, The Hague, 1946; chairman, United States delegation, International Wool Talks, London, 1946.

Members: Charles P. O'Donnell, Department of State. Position: Divisional Assistant, P–5, Division of Commercial Policy. Age: 43. Degrees: A. B., M. A., Ph. D. Experience: Professor and head of politics department, De Paul University, 1927 to 1942. Industrial analyst, War Production Board, 1942 to 1944. Appointed divisional assistant, Division of Commercial Policy, Department of State, April 1944.

John S. Richards, Treasury Department. Position: Director of Foreign Funds Control, CAF–15. Age: 36. Degrees: B. A., M. A. (economics). Experience: Has been with Foreign Funds Control of the Treasury Department since December 1941. Has held increasingly responsible positions with this agency and became Director in August 1946. Represented the Treasury Department at the 34th annual conference of the National Foreign Trade Council at St. Louis in October 1947. Prior to joining Foreign Funds Control was employed for 6 years in various phases of the New England shoe industry.

Frank R. Garfield, Federal Reserve Board. Position: Chief, Domestic Business Section. Age: 46. Degree: B. A. Experience: Assistant professor of economics, University of North Carolina about 3 years. Board of Governors of the Federal Reserve System since June 17, 1929.

Charles W. Bucy, Department of Agriculture. Position: Attorney, P–8. Age: 45. Degrees: Certificate, Georgetown University, School of Foreign Service (economics), LL. B., Fordham University. Experience: Continuously employed in the Department of Agriculture, Office of the Solicitor, holding various attorney positions since 1935; 1946 to present in P–8 attorney position as associate solicitor in charge of marketing regulatory laws and transportation, Production and Marketing Administration.

Paul T. Homan, Council of Economic Advisers. Position: Economist, P–8. Age: 54. Degrees: A. B. (Willamette University and Oxford University); Ph. D. (Brookings). Experience: Professor of Economics, Cornell

University, 1927 to 1947. Research staff, Brookings Institution, 1933–35, 1937–38; economic adviser to War Production Board, 1941 to 1944; economic adviser to UNRRA, 1944 to 1945; economic adviser to War Assets Administration, 1945 to 1946; chairman, CEA staff committee for drafting report on "The Impact of Foreign Aid on the Domestic Economy"; author or co-author: Contemporary Economic Theory, 1928; the National Recovery Administration, 1935; the Sugar Economy of Puerto Rico, 1937; Government and Economic Life, 1939.

Walton Seymour, Department of the Interior. Position: Director, Program Staff, CAF–15. Age: 38. Degree: B. A. (University of Wisconsin). Experience: Junior statistician, North American Co., 1929 to 1934. Tennessee Valley Authority; assistant statistician, 1934 to 1936; associate rate engineer, 1936 to 1938; chief of the Rate Division, 1938 to 1941; director, Power utilization, 1941 to 1947. Department of the Interior: Director, Program Staff (also designated Director, Division of Power), 1947 to present.

M. Joseph Meehan, Department of Commerce. Position: Acting Director, P–8. Age: 46. Degrees: B. S., Georgetown University, 1927; Harvard University Littauer Certificate, 1938. Experience: Mr. Meehan's connection with the work had to do with the impact upon the domestic economy of our international transactions. This is within the field of operations of the O. B. E. which is responsible for the review and analysis of the domestic economy, including the preparation of the national-income accounts and the international balance-of-payments position of the United States.

(d) Working group on strategic materials

Chairman: William T. Phillips, Department of State. (See Staff group for correlation committee.)

Members: Karl L. Anderson, Department of State. (See Committee on Agricultural Machinery.)

James Boyd, Department of the Interior. (See Advisory Steering Committee.)

Carl Rolle, Army and Navy Munitions Board. Position: Industrial engineer, P–7. Age: 37. Degrees: B. S., M. S. Experience: 1933 to 1936, marine mechanical engineer at United Fruit Company, New York, New York. 1936 to 1942, development and service engineer (Met. and Mech.). Work involved development of new applications for nickel alloys in fields of engineering and military equipment and consumers durable goods. Involved consideration of design problems and practical manufacturing problems. Was design consultant to users of metals. Work required knowledge of machine and equipment design fundamentals, metal-fabricating processes, qualities, and properties of metals. Completed Reserve Officers Training Course at Pennsylvania State College in 1932. Called to active duty March 1942 with rank of captain (later rank of lieutenant colonel) and ordered to office of Under Secretary of War for duty with Army and Navy Munitions Board. Reassigned to Resources Division, HQ SOS (subsequently known as Production Division, HQ ASF). Work required broad knowledge of all metals and minerals, world sources, productive capacity of each source, current status of production, military and industrial uses, possibilities of substitution, methods of production and processing. Was liaison between tech. services and other agencies concerned with war production. Was Army member of Strategic Materials Comm. of ANMB and coordinated staff work to lay foundation for postwar activity with respect to materials; particularly physical stock-piling. Complete studies were made of needs of country for stock piles of strategic materials. October 1945, reassigned to ANMB, and then detailed as Army Chief of Materials Division of ANMB.

Thomas D. O'Keefe, Department of Commerce. Position: Director, Commodities Division, P–8. Age: 46. Degrees: B. F. S., M. A., completed practically all requirements for Ph. D. in economics and international trade. Experience: About 25 years' experience in commodities and industries on a global basis.

Morris Fields, Treasury Department. (See Executive Committee on Economic Foreign Policy.)

W. G. Finn, Department of Agriculture. (See Committee on Fertilizer.)

(e) Working group on manpower report

Chairman: Faith Williams, Department of Labor. (See Executive Committee on Economic Foreign Policy.)

Members: Wilbur Cohen, Federal Security Agency. Position: Assistant Director, Bureau of Research and Statistics (P–7). Age: 34. Degree: Ph. D., 1934. Experience: 1934–35, research assistant to the Executive Director of the President's Committee on Economic Security, which drew the original Social Security Act; 1938, studied operation of European social security systems for Social Science Research Council; 1942, technical adviser to the U. S. Delegation to the First Inter-American Conference on Social Security, at Santiago, Chile; 1945, technical adviser to the U. S. Delegation to the second meeting of the Inter-American Committee on Social Security, Mexico City; 1946, adviser to the U. S. Delegation to the International Labor Conference on Maritime Problems, Seattle, Wash.; 1947, U. S. delegate to the Second Inter-American Conference on Social Security, Rio de Janeiro, Brazil; Federal Security Agency representative on the Subcommittee on Labor of the International Social Policy Committee; 1947, Director of Research, President's Advisory Commission on Universal Training; member of welfare policy committee of the American Public Welfare Association. Published reports and articles: "Unemployment Insurance and Agricultural Labor in Great Britain," "The First Two Years of Social Insurance in Mexico," "Foreign Experience in Social Insurance Contributions for Agricultural and Domestic Workers," and "Social Security in Chile."

Irwin M. Tobin, Department of State. Position: Chief, British Commonwealth Section, Division of Labor, Social and Health Affairs (P–5). Age: 34. Degrees: B. S., M. A., M. A. L. D., Ph. D. Experience: 1935, Director, World Affairs Council of Rhode Island; 1942, instructor, Rhode Island College of Education; 1942–44, assistant professor, Rhode Island State College; 1944, field representative, Office of War Information; 1944–45, intelligence officer, Office of Strategic Services; 1945, appointed Economic Analyst in Department of State.

George L. Warren, Department of State. Position: Adviser on Refugees and Displaced Persons (P–8). Age: 57. Degrees: A. B. Experience: 1919–28, Director of Personnel, Traffic and Purchasing for manufacturing company; 1928–38, Director, International Migration Service; U. S. Government expert, League of Nations Temporary Committee on Assistance to Indigent Aliens, Geneva; 1938, Assistant to American representative, Conference on Refugees, Evian, France; 1939, International Labor Organization Expert, Conference of American States. Member of International Labor Organization. Habana; 1938–44, President's Advisory Committee on Political Refugees; 1943, technical adviser to U. S. delegate, Meeting of Representatives of U. S. and British Governments to Consider the Refugee Problem, Bermuda; 1944 appointed consultant in Department of State; adviser on refugees and displaced persons and liaison officer with War Refugee Board; alternate on committees, U. S. Delegation, Second Session of the Council, UNRRA, Montreal; 1945, adviser, U. S. Delegation, Third Session of the Council, UNRRA, London; 1946, U. S. Representative, Committee on Finances of the International Refugee Organization, U. N. Economic and Social Council, London; adviser to U. S. Member, Fourth Session of the Council, UNRRA, Atlantic City; also at Fifth Session, Geneva.

Val Lorwin, Department of State. (See Functional and Commodity Committees—Manpower.)

Collis Stocking, Department of Labor. Position: Assistant Executive Director for Program Development (P–8). Age: 47. Degrees: A. B., M. A., Ph. D. Experience: Five and one-half years U. S. Employment Service; Assistant Executive Director; Chief, Reports and Analysis Service; Chief Employment Specialist. Six years Social Security Board; Assistant Director, Employment Security; Chief, Research and Statistics Division; 9 years university professor, economics.

Jean Flexner, Department of Labor. (See Functional and Commodity Committees—Manpower.)

Duncan Wall, Department of Agriculture. Position: Information Specialist (P–6). Age: 45. Degree: B. of Journalism. Experience: 1934–37, Extension Editor at Oklahoma A. and M. College; 1937–38, Regional Information Representative, Agricultural Adjustment Agency. 1938–41, Chief, Regional Contact Section, Division of Information, Agricultural Adjustment Administration; 1941–44, Assistant Director of Information, Department of Agriculture; (Aug. 1945 to Nov. 1945, Economic Consultant, Department of Interior, to do research work and prepare a report on agricultural land resources of U. S. and their use); 1944–45, Principal Editor for Farm Reports, Inc., Washington, D. C.; 1945 to present, Head, Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations, Department of Agriculture.

3. National Advisory Council: Staff Committee

Director for ERP: Frank Southard, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Secretary for ERP: Andrew M. Kamarck, Treasury Department. Position: Chief, National Advisory Council Secretariat (P–8). Age: 33. Degrees: B. S. in Economics, Harvard. M. A. in Political Economy and Government, Harvard. Experience: July 1939–April 1, 1940, International Section, Board of Governors, Federal Reserve System (November 1, 1939–April 1, 1940, on loan to U. S. Treasury). April 1, 1940–July 9, 1942, U. S. Treasury, International financial work. July 9, 1942–December 26, 1944, U. S. Army. (Assigned to Allied Control Commission, Italy, as adviser to Bank of Italy, and to Institute for Industrial Reconstruction; also economic adviser to vice-president of Allied Control Commission, in charge of economic matters in Italy.) December 26, 1944–February 14, 1945, in U. S. Treasury, Washington, D. C., international financial work. February 14, 1945–December 1945, Chief of Financial Intelligence, and deputy to Joseph M. Dodge, U. S. Representative on Finance Directorate, Allied Control Council, Germany. December 1945 to date, U. S. Treasury, international financial work. Attendance at international conferences: U. S. Treasury adviser to U. S. Treasury Representative, Economic and Social Council, U. N., June 1946; U. S. Adviser at Boards of Governors of International Monetary Fund and International Bank, September 1946.

Chairman for Staff Committee: John W. Gunter, Treasury Department. (See Advisory Steering Committee on European Recovery Program.)

Secretary: Allen J. Fisher, Treasury Department. Position: Assistant Chief, National Advisory Council Secretariat, (P–7). Age: 41. Degrees: B. S., L. H. M., Ph. D.; majored in Economics. Experience: Doctor of Philosophy in International Finance—1936.

(Dissertation title, "The Sterling Area"; a study of the international aspects of British monetary policy). Thirteen years of teaching experience in business administration, including economics, finance and international finance, at accredited universities. Financial consultant for the Commodity Exchange Administration, Department of Agriculture, 1937–1939. Professional research in the Division of Agricultural Finance, Department of Agriculture; also, in Office of the Chief Accountant, Securities and Exchange Commission. Work on international financial problem in the Treasury Department since September 1942. Research projects have included detailed analysis of the internal monetary financial conditions, banking systerms, balance of payments positions and international financial relations of various countries. Country studies for use of Military Government have also been prepared. February 1945 to January 1947, Finance Specialist with Military Government, Germany, with assimilated rank of lieutenant colonel. Initially a member of the Foreign Exchange and Blocking Control Branch of the Finance Division; subsequently Chief of the Intelligence Branch of the Division of Investigations of Cartels and External Assets. Assignments overseas covered England, Germany, France, Austria, Belgium and Czechoslovakia. Participation in intergovernmental negotiations in the U. S. with the British on various matters pertaining to external assets in European neutral countries, and with the British and Canadians on inter-custodial problems relating to blocked assets. Overseas experience included negotiations in London with representatives of the British Government on matters pertaining to German external assets which were cloaked or otherwise secreted in neutral countries, as well as negotiations with representatives of the French and Belgian Governments and representatives of the Military Governments of Germany and Austria in the same general field.

Assistant Secretary: Harold H. Rosen, Treasury Department. Position: Economist (P-5). Age: 38. Degrees: B. S., M. A., in Economics. Experience: August 1938–April 1939, Financial Statistician, National Conference Board; May 1939–December 1941, economist, Brookings Institution; January 1942–July 1942, Economic Analyst, Board of Economic Warfare; July 1942–December 1943, Economist, War Production Board; December 1943–October 1945, Soldier, U. S. Army; November 1945–July 1947, Economist, Civilian Production Administration; October 1947 to date, economist, National Advisory Council, Staff Committee.

Members: Norman Ness, Department of State. Position: Director, Office of Financial and Development Policy (P-8). Age: 44. Degrees: B. A., M. A., Ph. D. Experience: Instructor in economics, University of Nevada, 1927–28; instructor, assistant professor and associate professor, Pomona College, 1928–42; research economist, National Planning Association, February-September 1942; economist in Costa Rica, 1942–43; Assistant Director of Division, Treasury Department, 1943–46; technical adviser, First Inter-American Demagraphic Congress, Mexico City, 1943; United Nations Monetary and Financial Conference, Bretton Woods, N. H., 1944; to U. S. Delegate, Inter-American Conference on Problems of War and Peace, Mexico City, 1945; United Nations Conference on International Organization, San Francisco, 1945; Chief Economist, Export-Import Bank, 1946; appointed to Department of State, August 1946; Delegate of the U. S. to the First General Assembly of the Inter-American Statistical Institute, Washington, D. C., 1947.

Clarence Blau, Department of Commerce. Position: Acting financial policy adviser (P-8). Age: 40. Degrees: A. B., Columbia College, 1926; LL. B., Harvard Law School, 1931; London School Econ., 1927–28. Experience: Law clerk and attorney with Bank of U. S. in liquidation (including foreign business) 1931–34; attorney with various agencies of U. S. Government, 1934–43; attorney with OEW-FEA-OIT, handling foreign procurement, lend-lease, and UNRRA aspects of foreign food program; acting financial policy adviser, July 1946; on missions to Bahama Islands and Jamaica for Department of Agriculture, 1943, to negotiate agreements for the entry of foreign agricultural laborers to Brazil, Argentina, Chile, Peru, Ecuador, Guatemala, and Mexico, 1945, on food-procurement program; on staff of U. S. delegation to first board of governors meeting of IMF and IBRD, 1946; alternate adviser on U. S. delegation to FAO Interim Commission, 1946.

J. Burke Knapp, Board of Governors, Federal Reserve System (see Advisory Steering Committee on European Recovery Program).

Hawthorne Arey, Export-Import Bank (see Legislative Drafting Committee).

Walter C. Louchheim, Jr., Securities and Exchange Commission. Position: Adviser on Foreign Investment (P-8). Age: 48. Degree: A. B., Harvard College, 1921. Experience: 1921–31, active partner of New York investment banking firm and member of New York Stock Exchange; 1932–34, traveled in Europe, studied and wrote upon world economic and financial conditions; 1934 to date, member of staff of Securities and Exchange Commission, formerly Assistant Director of Trading and Exchange Division, now adviser on foreign investment, to advise the Commission and act as its representative to other executive departments and agencies in the field of international finance; 1943–44, member of interdepartmental technical committee on the International Bank and Monetary Fund; 1944, adviser to U. S. delegation, Bretton Woods Conference; 1945, adviser to U. S. delegation, inaugural meeting of World Bank and Fund, Wardman Park Hotel, Washington, D. C.; 1946–48, member of NAC staff committee and working groups; chairman of Subcommittee of NAC Technical Committee in charge of preparation of markets for World Bank bonds. Recently specifically engaged in preparing estimates and analysis of U. S. investments held by countries participating in the European recovery program.

Liaison: Jerome J. Stenger, Department of State. Position: Assistant Chief in Charge of Liaison Branch, Division of Investment and Economic Development (P-7). Age: 53. Experience: U. S. Army, overseas service, First Lieutenant, 1917–19; assistant manager of U. S. company in Paris, 1920–31; clerk in district accounting and disbursing office, Paris, 1934–40; in American Embassy at Paris, 1940–41; in American Consulate General at Paris, June-September, 1941; detailed to Port-au-Prince, Haiti, Sept.-Oct. 1941; appl. divisional assistant in Dept. of State, 1941–42; assistant adviser on other American Republics, 1943; Assistant Chief, American Republics Requirements Division, 1944; special assistant on Projects and Programs, Division of Foreign Economic Development, 1945; economist, 1946; special assistant (Export-Import Bank), 1946.

Alternates: Hubert F. Havlik, Department of State. Position: Chief, Division of Investment and Economic Development (P-8). Age: 43. Degrees: B. S., M. B. A., Ph. D. Experience: Clerk and accountant for chemical company, 1921–23; research assistant, Institute for Research in Land and Public Utility Economics, 1926–28; instructor in economics, Northwestern University, 1927–30; fellow and instructor in government and economics, Columbia University, 1930–42; Chief of Fuel and Power Section, Chief of Program Branch, and Executive Secretary of Committee, War Production Board, 1942–44; Chief of Lend Lease Division, and Deputy Assistant Administrator, Foreign Economic Administrator, 1944–45; secretary, U. S.-U. K. negotiations on lend-lease and mutual aid, Washington, 1944; transferred to Department of State as Deputy Administrator Assistant, Office of Foreign Liquidation, 1945; Chief, Division of Lend-Lease and Surplus War Property Affairs, 1946; principal sec. of U. S. Lend-Lease Com. and chm. on specific lend-lease, surplus, and claims agreements, U. S.-U. K. economic negotiations, Washington, 1945–46; adviser and exec. sec., lend-lease settlement negotiations with India, France, Australia, Belgium, New Zealand, and South Africa, Washington, 1946; chmn., U. S. Patent Interchange Comm., 1946–; Acting Chief, Div. of Investment and Econ. Development, 1946; technical adviser on U. S. delegation to United Nations Conference on Trade and Employment, Habana, Cuba, 1947.

Hale T. Shenofield, Department of State. Position: Acting Assistant Chief for Lend-Lease and Surplus Property Branch, P-7, Division of Economic Property Policy. Age: 45. Degrees: A. B., M. A. Experience: Instr. in govt. U. of Toledo, 1928–29; sec., Commn. of Publicity and Efficiency, Toledo, 1929–33; dir. of financing and purchasing in co. govt., 1933–34; co. auditor, 1934–39; field representative, Brookings Inst., 1940–41; exec. sec., Joint War Production Comm., 1941–43; asst. treas. for econ. research org., 1943–44; dir. of div., Pa. Economy League, 1944–45; appt. asst. chief, Div. of Lend-Lease and Surplus War Property Affairs, Dept. of State, Oct. 1945.

Mr. MORSE. Mr. President, the next point I want to raise is a point in regard to the British loan. It seems to me that throughout the debate we have seemingly redebated and rehashed the British loan, and the impression has been left by some that if they had those days to live over they would not be in favor of the British loan. I want to say as one Member of the Senate, Mr. President, that I would today cast the same vote that I cast on the British loan, which was a vote for the loan. I am not as pessimistic about what has been gained and accomplished by the British loan as certain other people in the Senate seem to be. I want to refer to a speech made on August 7, 1947, the only material I was able to get quickly on the expenditure by Britain under the British loan. It is the speech by Hugh Dalton in the House of Commons, in which he reported upon the expenditure of the loan upon the basis of percentages that went to this item or to that item. I find that according to that statement 27 percent was spent on raw materials and petroleum, 25 percent went for food, that is to say, fruit, apples, oranges, lemons, raisins, and so forth; 14 percent went for machinery, including lathes, presses, grinders, looms, and so forth; 12 percent went for tobacco; 11 percent was spent for food for Germany, sent there by Great Britain; 7 percent was spent on ships; and 4 percent on films.

Here again we may say, using our hindsight, "Well, we would not have made just those expenditures if we had been running the British Government." But I think, Mr. President, that when you take the total record in England since we made the loan, and the use to

which the loan has been put, it has been a rather efficient expenditure of the loan in the best interests of the British economy. The loan has helped England in her struggle to rehabilitate herself.

When you take into account, Mr. President, also the depreciation in the value of the American dollar since the loan was made, I think you begin to understand why the loan did not last for the entire period we thought it was going to last, when we first made it.

I have been impressed as I have listened to the anti-British sentiments which have been expressed time and time again throughout this debate that part of the opposition to the Marshall plan grows out of the fact that some Members of the Senate do not like the socialistic policies of the British Labor Government. I do not like them either. But I do not propose to play right into Russia's hands and give any truth to her propaganda that we are trying to dictate the type of government and the type of economy that shall exist in England and Europe. I do not propose to aid and abet Russia in her propaganda attacks on America by laying down as conditions precedent to the adoption of the Marshall plan the principles of dollar imperialism which I think are inherent in the attacks which I have heard made during the course of this debate on the economic policies of Great Britain.

I certainly have no intention of giving any support to that plank of the economic platform of the National Association of Manufacturers, which plank has been accepted by some Presidential aspirants in this country to the effect that we should not grant any funds under the Marshall plan to any nation which proposes to use any of those funds in connection with the nationalization or socialization of any of her industries. I was shocked with the National Association of Manufacturers coming forward with such an advocacy of dollar imperialism and I was doubly shocked when some Presidential aspirants endorsed that principle.

We will completely fail in proving the superiority of our free-enterprise system to any system of socialism if we attempt to buy its acceptance on the part of the people of England and of other countries of Europe by laying down the requirement that no funds under the Marshall plan can be used by any country that seeks to socialize any of its industries. Every high-school student in this country knows that there are great differences between economic conditions in England and Europe and those that exist in America. Every high-school student knows that various degrees or socialism have existed for many years in Europe, particularly in Scandinavian countries, including Denmark. Every high-school student knows that the countries of Europe which are not blessed with an abundance of natural resources and which are unable even to raise enough food to sustain their people, who are constantly faced with an economy of scarcity insofar as the necessities of life are concerned, have for decades adopted government regulations and controls over parts of their economy which we recognize to be socialistic in contrast with our free-enterprise system.

There is absolutely no chance no matter how many American dollars we make available to those countries to change their economic mores insofar as their acceptance of various degrees of socialism are concerned. Europe for many years past has been, and I am convinced always will be, inclined toward socialism, as contrasted with the free-enterprise economy in America. However, what many Senators in the course of this debate have overlooked is that in England, in the Scandinavian countries, in the Lowlands, and in France individual liberty, personal freedom, civil rights, and the sacred value of human life are still preserved. Freedom from police-state methods, the preservation of the same personal liberties which we enjoy under our American Bill of Rights, prevails in those countries to which the Marshall plan will be applied. It is over the preservation of individual liberties, personal freedoms, and human rights that the fight for freedom in the world today is all about.

The fight is not over whether or not England should be allowed to have a nationalized transportation system, or Sweden a compulsory health-insurance plan, or Denmark a social-security system, or France a public-housing program. It is not over whether or not the countries of western Europe shall be allowed a considerable amount of socialism. I say the fight for freedom and the right to live as free men and women in those countries has no relationship whatsoever to their self-imposed socialistic practices in respect to their economic systems. Rather, what the fight is about is over the question of the right of the peoples of England and western Europe to have preserved for them the freedom of self-determination.

I say most solemnly that we would be as guilty as Russia if we tried to impose upon the peoples of England and western Europe our system of capitalism. Russia is seeking to bribe the peoples of those nations into submission to the theories of communism on the promise that their material well-being will be best served by communism. If we should seek now to bribe the peoples of England and western Europe with American dollars, through the Marshall plan, to accept the American version of capitalism we would be as guilty of materialism as Soviet Russia.

I am at a complete loss to understand how Senators can so completely miss the vital point as to what the fight for freedom in the world today is all about. It has been missed so completely by those Members of the Senate who want to lay down as a condition precedent to receiving any aid under the plan the requirement that no nation can use any funds under the Marshall plan in connection with nationalizing or socializing any industry within a given nation. I say such a proposed requirement is a condition of dollar imperialism. I say such a condition is a reflection upon the good faith and idealism and the belief of the great majority of the American people in that principle of democracy which stands for the self-determination of peoples.

There is another point I want to make in passing, and it is one which refers to the argument which has been made so many times in the course of this debate that we cannot afford the total cost of seventeen or twenty billions of dollars which undoubtedly will be involved in the ultimate cost of the Marshall plan. I think we can afford it. I know that we can afford it, because I know we cannot afford to permit Europe to remain in a permanently collapsed condition for many years to come. We cannot afford to permit England to go down economically. We cannot afford in the interest of peace to withdraw from Europe. We cannot afford to permit ourselves to be encircled by communism. We cannot afford to let the pages of history record that in 1948 the American people walked out on their moral obligations to Europe and substituted selfish materialism for the spiritual values of democracy. We cannot afford to write such a page in history, because it would win for us the disrespect of generations upon generations yet to play their part in human history. We cannot afford to walk out on democracy itself.

Furthermore, let me point out that those in the Senate who are emphasizing so much the cost of the Marshall plan in dollars to the American people are overlooking that the cost of seventeen to twenty billion dollars is a small part of what it would have cost to carry on World War II for just six more months. In fact, I am informed that shortly after VJ-day we canceled $63,000,000,000 of war contracts which had been entered into to produce the materials of war destruction, had the war lasted 6 months longer.

If it had lasted 12 months longer it would not have cost twice $63,000,000,000, but I am informed that the cost would have been at least three times that much, or about $190,000,000,000. If it had lasted 24 months longer it would not have cost twice $190,000,000,000 but from three to four times that much.

Would our economy have survived another 2 years of the war? I think so. There is no doubt about the fact that we would not be enjoying the standard of living that we enjoy today had it lasted two more years. There is no doubt about the fact that if the additional costs of two more years of war had been imposed upon us we would be living under controls today almost as strict as those that prevail in Great Britain. I fear that if the war had lasted 2 years longer and had cost us from five hundred to seven hundred billion dollars additional that it might have cost us, we probably today would be exercising such strict Government regulations over certain segments of our economy that it would be necessary to pin the label of socialism on those regulations.

However, we were spared the devastating destruction which the people of west-

ern Europe suffered, including the people of England. Now we are asked to contribute over a 4-year period what will probably total about $20,000,000,000 needed in reconstruction and economic rehabilitation for peace. What do we hear? Some voices crying out—we cannot afford it. It will wreck our economy. It is not fair to the American taxpayers. I dissent. I refuse to accept that isolationist point of view. I refuse to resurrect the arguments made in the Senate during the 1920's when we, as a Nation, failed to live up to the obligations of making the sacrifices necessary to win the peace following the First World War. We were not alone in that failure. England and France also failed in helping to win that peace—not by refusing to go along with the League of Nations, which was our principal failure. Rather the crime against the peace which England and France committed following the First World War was in helping Germany rebuild her war machine which led to Hitler totalitarianism. I do not want to see my country repeat the mistakes that we made in the Senate of the United States during the 1920's. I think the defeat of the Marshall plan would be part and parcel of repeating some of those mistakes. I am supporting the plan because I think it is an essential part of the total program necessary to win the peace.

Now let me say a word about our Greek policy. All through the debate there have been a great many critical statements made about the policy we are following in Greece. If the Grecian issue were before us again today, I am perfectly willing to let the RECORD show that I would not run out on the vote I cast at the time the Greek crisis was first presented to us. I would cast the same vote today. I think the action that we took in the Grecian matter served as a clear notice on Soviet Russia that we intended to defend the peace and enforce the peace from Soviet aggression.

I want to close, Mr. President, on this matter before I make a few comments on the speech made by the Senator from Idaho [Mr. TAYLOR] the other day. I think we not only should pass the Marshall plan as reported to us by the unanimous vote of the Foreign Relations Committee of the Senate but I think it very important that the Republican leadership of the House proceed in long sessions, day and night, to consider the plan and to pass it at an exceedingly early date.

I think time is of the essence. That point has been made over and over again by the proponents of the plan in the Senate debate.

I am greatly alarmed, Mr. President, by two things I read in the newspapers. I have had no official notice of the plans of the House of Representatives, but one disturbing thing is that apparently there is little chance of getting this Marshall plan through the House of Representatives before April 10, and probably not until after April 18. That latter date is the date of the Italian elections.

As a Republican, Mr. President, I want to express my great disappointment at any such course of action being contemplated—if it be contemplated—in the House of Representatives by the Republican leadership. I want to say as one Republican that I sincerely hope that, if that is the present intention of the Republican leadership of the House, it will reconsider the matter. I think it of utmost importance that the plan be passed in the House of Representatives within the next few days. I think it can be so passed if the leadership of the House will give it a clear right-of-way and subject it to full debate and to an early vote.

The impression is being created in those parts of the country in which I have been speaking recently that the strategy is to push it through the Senate and then stall it in the House. I say sincerely to those responsible for the policies of the Republican Party in the House of Representatives that I can think of no greater mistake they could make, as far as gaging American public opinion is concerned, than to delay beyond the next few days the passage of the Marshall plan in the House of Representatives.

Second, I think they will wake up to discover Nation-wide resentment for any delay caused by trying to attach to the plan arrangements for relief and aid in other parts of the globe. I refer specifically to China. I think the Marshall plan and aid to China are separate and distinct subjects. I think the House of Representatives ought to go along with the Marshall plan on its merits and then be willing to take up a so-called Chinese plan on its merits separate from the Marshall plan. It is generally conceded that the main effect of combining with the Marshall plan a Chinese aid plan in the House of Representatives will be a costly delay, making it impossible to take action on the issue prior to the Italian elections on April 18.

Do I think the Italian elections are of importance? Yes, I do. I think they are of tremendous importance. I think they are of tremendous importance psychologically to all the countries in western Europe. I think they are of tremendous importance to America's national self-interest. I think they are of tremendous importance to our national security. I think we have an opportunity, through the Marshall plan, to demonstrate to the people of Italy, France, Great Britain, and to the other beneficiaries under the Marshall plan that we intend to carry through the objectives of winning the peace. In Italy the people know that we know the precarious condition in which they presently find themselves, with the elections taking place on April 18. We should not be guilty of once more being too late. I know it is not appreciated particularly for a Member of the Senate, and particularly one of my liberal brand of republicanism, to be giving gratuitous advice to the Republican leaders in the House of Representatives. But I am not only a Member of the Senate; I am also an American citizen. Speaking for a moment as an American citizen, I say to the Republican leadership of the House, "Give us a demonstration now of your statesmanship and proceed to handle this matter in day and night sessions so that it can be passed at the earliest possible time and as long as is humanly possible before the Italian elections."

I think it can be and should be done certainly not later than April 1. I think if the Members of the House unite in recognizing the importance of the measure to the welfare of the country it can be done within 10 days. The fight for freedom in Italy and western Europe is worth the effort that is called for from the House of Representatives.

I want to close my remarks, Mr. President, with a few comments on the speech made by the Senator from Idaho [Mr. TAYLOR] which was made during my absence from the Senate. I did not have an opportunity to hear the speech and did not have an opportunity to vote on his proposal, but the RECORD shows that had I been present I would have voted against his proposal.

I think the Senator from Idaho knows that I have a deep personal fondness for him. I think he knows that on a great many issues we see eye to eye, particularly on those issues in our domestic field which seek to improve the lot of the common men and women of America, the great mass of our average citizens, the worker, the farmer, the white-collar group, the people in the low-income brackets, as well as see to it that the property rights and political rights of people in the so-called higher bracket are also adequately protected under our system of government by law. Thus he and I have found ourselves in agreement on labor legislation, social security legislation, veterans' legislation, civil-rights legislation, conservation of natural resources, and great pieces of legislation which seek to advance the general welfare and which aim at protecting the weak from the exploitation of the strong. My friend from Idaho knows, however, that two men could not possibly hold more diverse points of view and be so completely in disagreement as we are on issues of international policy. I want to make perfectly clear for the RECORD the fact that I give to the Senator from Idaho full and complete credit for being 100 percent sincere and intellectually honest in taking the position which he takes on international policy. I also want him to understand that as he would protect me in my right to my views, so I would protect him in his right always to express his views. He has a right to fight for acceptance of his views under the guaranties of our constitutional democracy—although if he were in Russia he would not have any such protection. His right to freedom of speech which he enjoys here would be lost to him in Russia.

I do feel, Mr. President, that I cannot let the Senator's speech stand in the RECORD without any word of opposition from me at all to the tenor of his speech. I think the vote on his amendment was a great rebuttal to his speech and, in a sense, an adequate answer. Nevertheless, I want to put into the RECORD just a brief answer to the Senator from Idaho. I note what the Senator said on page 2387

of the RECORD, second column, first paragraph:

Mr. President, the word "Communist" reminds me of something. I realize that by taking the position I am assuming, namely, that the Russians are not absolutely hopeless, that it is possible to get along with them, I am laying myself open to the charge of being a Communist—a Communist sympathizer, at least. The distinguished senior Senator from Texas made that very plain a moment ago when I asked him whether he would want to see the veto abolished if a majority of the members of the United Nations were Communists. He retorted that he was not as much of an expert on communism as I was.

Mr. President, I dare say I may be subject to that, as I have stated, but I have made up my mind to that, and I warn all my colleagues, that I am not going to take it lying down. If they want to accuse me of being a Communist sympathizer, if they want to call me "red," and one thing and another, by insinuation or innuendo, Mr. President, I say, let them beware, because I shall come back in kind.

I understand the Senator's sentiments. I know what it is to have labels pinned on me which have no foundation in fact. I know the tactics back of political smears. I know, as the Senator points out, that one does have to fight back at appropriate times and in appropriate places when unfair political tactics are used against one. I do not intend, in debate with the Senator from Idaho or with anyone else, to indulge in the type of accusations or innuendoes or name calling which he stated in his speech he knew he would subject himself to as the result of the long speech he made in the Senate on Tuesday and Wednesday of this week.

I would not call the Senator from Idaho a Communist if I believed he were a Communist, and I do not believe he is a Communist. I think I indulge in no impropriety, however, when I say that my reaction when I got through reading his speech was this. I asked myself this question: I wonder what argument and propaganda the Kremlin would have put in the speech made by the Senator from Idaho if it had been written in the Kremlin, that is not found in the speech?

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MORSE. I am very happy to yield.

Mr. TAYLOR. I merely wish to thank the Senator for not calling me a Communist.

Mr. MORSE. I want to expound on the point. I wish to repeat, I sincerely and honestly do not think that the Senator from Idaho is a Communist, and I want to say further that I have no question as to the patriotism of the Senator from Idaho. But I do wish to say, just as sincerely and honestly, that he has presented to the Senate a speech which follows from beginning to end what in my judgment is the present Communist line in America, to be found in all the Communist publications in America.

Mr. TAYLOR. Will the Senator yield?

Mr. MORSE. I yield.

Mr. TAYLOR. I pointed out in my speech the other day that any one who did not agree to this bipartisan coalition on foreign policy had to be following the Communist Party line, because the Communists disagree with it. I happen to differ with it, so therefore I am following the Communist Party line.

Mr. MORSE. That is the only point I wish to make, Mr. President. We have to analyze the speech of the Senator from Idaho from the standpoint that it sets out with clarity, it seems to me, the position of Soviet Russia on the Marshall plan. It sets forth the Communist line without any variance. I wish to say, in concluding this speech, that I think the Senator from Idaho has performed a great service in this debate by making clear the choice we have before us, namely, are we going to follow the Communist line in America, and submit to the aggressive policies of Russia as Russia proceeds to run roughshod over the liberties of freemen the globe around, or are we going to say that we are ready to make perfectly clear to Russia that through the Marshall plan we are willing to draw the issue. It can become a very serious issue, but I think the issue will be more serious if we permit Russia to continue, through her aggressive policies, to proceed to trample one group of free people after another under her heel.

I do not have to dwell on the point by pointing out in detail that ever since the end of the war Russia has continued to have her way in every country which she has decided to take over and subject to Communist dictatorship. The list is taking on Hitler proportions: Poland, the Balkans, Yugoslavia, now Czechoslovakia, Finland in the balance, and many divisions of Russian troops presently mobilized in Yugoslavia and Russian zones of Europe with the Italian elections coming on April 18. It is not a pretty picture for peace.

If one reads the speech of the Senator from Idaho, he will look in vain to find anything in it which is favorable to his own country, but there is one praise after another for the foreign policy of Russia.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TAYLOR. He will not find that I have praised the foreign policy of Russia or anything Russia has done. I merely state the facts as I see them, in an attempt to show that the Russians have been justified in being afraid of us and, therefore, in pursuing an aggressive policy, as I pointed out in my speech the other day. When I was asked by the junior Senator from California [Mr. KNOWLAND] if I did not have some defense to make or something good to say about our foreign policy, or if I did not have something bad to say about Russia, I told him I would leave the business of telling people what the matter with Russia was to the prejudiced American press, and to about 90 other Senators—I raise the number now to 91—and let them tell the people what is the matter with Russia. That is what they have done, and that is why we are now on the verge of war with Russia, because of all this propaganda that has been dished out.

Mr. MORSE. Mr. President, all I care to say in reply to the Senator from Idaho is that I have not any doubt that he has attempted in his speech to present the facts as he believes them to be, but my great startlement is over the fact that he thinks what he has presented are the facts in regard to both Russian and American foreign policy. He has only presented Russian propaganda and Russian misrepresentations as facts.

Mr. TAYLOR. Mr. President, I made those remarks on the floor of the Senate, and no Senator chose to argue with me.

Mr. MORSE. As I explained to the Senator, I was not present when he made them. I answer him now and I deny the soundness of his alleged facts. I judge, as I read the RECORD, that the general feeling at the time he made his speech was that the vote itself would be an adequate rebuttal to the Senator from Idaho—which at that time I think it was. It spoke more eloquently than any words could. A vote of 74 to 3 against the Senator from Idaho.

Mr. President, I am about through. However, I could not let the speech of the Senator from Idaho stand in the RECORD without making the comments on it I have presented. I wish to say that I think the Senator from Idaho is correct about one thing; the situation in the world tonight is serious, and it has been made serious because since the end of the war there has been no substantial evidence presented by Russia of any willingness on her part to cooperate as a friendly ally in the interest of protecting freedom the world around.

Oh, what a bill of particulars one could draw if he desired to start drawing up a bill of particulars against Russia. However, one has to call attention to only one phenomena, and if the Senator from Idaho, I submit, were behind that phenomena—I refer to the iron curtain—if he were behind that iron curtain in Russia, he would not enjoy the great privileges and liberties I will fight to retain for him and others who share his views in this land so long as they conform to our system of government by law.

Mr. TAYLOR. Mr. President——

Mr. MORSE. One more word and I will yield.

I only want to say, Mr. President, that until Russia demonstrates a willingness to lift that iron curtain and proceed to permit the public gaze of the world to cast itself on her internal practices insofar as the liberties of individuals are concerned, I must continue with the assumption that she has no friendly intention toward America or toward freedom-loving peoples in western Europe. I must continue with the assumption that when she starts to mass her troops as she is doing, that when she follows the course of action she is following in the nations she has trod over, to which I have already referred, she in fact has no friendly aspirations in promoting the peace of the world. That is why the junior Senator from Oregon, sad as it makes him, must say again, as the Presiding Officer here now has heard me say before: I think that in this hour the American people must unite in the interest of na-

tional security. We as a people must unite behind such programs as the Marshall plan for economic defense and for the military defense which I think will eventually have to flow from it. We must unite to protect freedom in the world in order to make it perfectly clear to the Government of Soviet Russia that her program of aggression must halt. Serious as that statement is, Mr. President, let me say that, in my judgment, the loss of freedom which would result from Russia encompassing the world with Russian communism would bring greater disaster to the world than even another armed conflict.

I now yield to the Senator from Idaho.

Mr. TAYLOR. Mr. President, I must say that it seems to me the junior Senator from Oregon is being used as the stalking horse by the Republican Party against the new party movement, as he was used in the last election against the Democrats. The Republicans sent the Senator from Oregon into States where liberal Democrats were running knowing that the Senator from Oregon had a reputation as a liberal. He had the respect and confidence of labor voters, of liberal groups, and he went into States where liberal Democrats were running against reactionary Republicans, and he told the boys, "Now vote for the Republican," and they did, and the result was that many good men were left home, largely through the instrumentality of the junior Senator from Oregon.

I am sorry to see him follow the common procedure of not answering the arguments put forward, but rather accusing anyone opposing this bipartisan foreign policy of being communistic.

Mr. MORSE. I am perfectly willing, Mr. President, to let the record speak for itself as to whether or not the Marshall plan is not a complete answer to the unfortunate speech made the other day by the Senator from Idaho.

I close by assuring the Senator from Idaho that I am proud of the fact that I am not being used as a stalking horse by those forces in America which are supporting the Wallace ticket.

During the delivery of Mr. MORSE's speech,

Mr. BREWSTER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. BREWSTER. In connection with what the Senator from Illinois has said, was not that precisely what the Senate was told when we made the $4,000,000,000 British loan? We were told that it was to be for the economic rehabilitation of England, and that in the next 4 years it would accomplish that great objective. Yet what has been the result?

Mr. LUCAS. I understand that the Senator from Maine is for the Marshall plan, and that he intends to vote for it.

Mr. BREWSTER. I have stated that I shall vote for the Marshall plan in order to buy time, until we can get an administration with the intelligence and integrity to straighten out this situation; and I expect to do so.

Mr. LUCAS. Of course, the Senator from Maine always has a plausible excuse to get away from the real situation before us. I heard the Senator from Maine on the radio the other night. He did a commendable job. But when he was pinned down he finally stated, "Yes; I am going to vote for the Marshall plan."

Mr. BREWSTER. I stated the reasons why I was going to vote for it; and the audience of a thousand people in New York, without regard to partisanship, as the Senator saw, stopped the show.

Mr. LUCAS. Yes; they cheered everyone on that program.

Mr. BREWSTER. When I made the statement that we needed intelligence and integrity in the administration, that is what they responded to, to a single man.

Mr. LUCAS. If intelligence and integrity are going to be discussed, the Senator from Illinois could talk a long time about that, too. Whenever integrity and intelligence in this administration are discussed, I think the Senator from Maine had better keep very, very quiet about that particular thing.

Mr. BREWSTER. I was the one who brought up the matter, and I am willing to discuss it as long as the Senator from Illinois desires.

Mr. LUCAS. We will turn the Senator over to Howard Hughes.

Mr. BREWSTER. Is the Senator from Illinois now leaving the Chamber?

Mr. LUCAS. No; I shall stay; I shall be very glad to. The Senator from Oregon has the floor.

Mr. BREWSTER. The only comment I shall make upon the Senator's statement—and he fully realizes the question of personal privilege which he raises——

Mr. LUCAS. I did not raise any question of personal privilege at all; the Senator from Maine did.

Mr. BREWSTER. The Senator will permit me to continue, please. The only comment I shall make is that this afternoon one of the fruits of such an investigation has been shown, when a man was convicted in the District of Columbia court—the second highest man who was in charge of procurement in our air forces under this administration—convicted of three charges of commission of perjury, in addition to all the other defalcations of which he is apparently guilty and of which he is now being charged. That is one of the fruits of the matter.

The report regarding that investigation has been deferred until this proceeding in the courts is completed. When that report is filed—to the amusement of the Senator from Illinois——

Mr. LUCAS. To the amusement of the Senator from Maine——

Mr. BREWSTER. It will be proper for the Senator from Maine then to make a statement regarding the situation; and I hope the Senator from Illinois will do me and his country the justice of listening to that statement. I do not believe this is the proper time for that question to be raised, and the Senator from Illinois knows that very well.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. It is my understanding that the Senator from Oregon has the floor, and I have not heard him yield for any further colloquy.

The PRESIDING OFFICER. The Senator from Oregon has the floor. Does he yield; and if so, to whom?

Mr. MORSE. Mr. President, I always try to be generous in the use of my time. I recognize that these two Senators have involved themselves in what appears to be a debate between them on matters quite irrelevant to what I was discussing. I do not wish to deny them any courtesy at this time; but may I at least have a ruling from the Chair as to whether the colloquy may appear at the end of my remarks, instead of breaking into my remarks on the Marshall plan?

The PRESIDING OFFICER. The colloquy will appear at the end of the speech of the Senator from Oregon.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. MORSE. I will; but I hope the Senator from Illinois appreciates the situation and will do what he can to cooperate.

Mr. LUCAS. I will. I wish to cooperate with the Senator from Oregon and with the Senator from Maine. I apologize to the Senator from Oregon for interfering so long in the presentation of his remarks. I did not bring up the subject.

After the conclusion of Mr. MORSE's speech,

Mr. TAYLOR. Mr. President, I should like to ask the Senator from Oregon if he has not heard the debate which has gone on in the Senate. It has all been absolutely materialistic, aside from the flowery presentation of the Senator from Oregon. Speakers have emphasized over and over again that we are after markets with the Marshall plan. Just before I took the floor the other day it was plainly stated that we had to have markets or our capitalistic system would collapse. Nothing was said about aiding democracy abroad, or protecting democracy at home. Only today the junior Senator from Minnesota [Mr. THYE] asked the Senator from Missouri [Mr. KEM] some questions—only he did not really ask questions—he made flowery statements about what this great Marshall plan was going to do, and finally when the Senator from Missouri pinned him down, and asked him directly "What is your question?" the Senator from Minnesota said, "Well, if we do not have the Marshall plan what are we going to do with all our excess wheat?" And that is what the whole program is based on.

Mr. BREWSTER. Mr. President, I shall address myself briefly to the question which is before the Senate, the pending amendment calling for a reduction in the amount of the authorization for the Marshall plan.

I was disturbed to hear the Senator from Oregon suggest that anyone who raised a question regarding the plan was mercenary. I regretted that, because it seems to me that necessarily we in this body must be mercenary.

Mr. MORSE. Mr. President, I ask the Senator to yield so the junior Senator from Oregon may say that he is satisfied that when the Senator from Maine reads his whole remarks tomorrow even the Senator from Maine will agree that the interpretation he is now placing on the remarks of the Senator from Oregon are not warranted.

Mr. BREWSTER. I certainly do not wish to do the Senator from Oregon an injustice, but I think I have listened to practically all his remarks. I profoundly agreed with his emphasis upon spiritual things. But I think that in the same book where we are instructed to think of those things, we are also instructed to think of other things. If the Senator will recall the incident connected with Mary and Martha he will remember that it was shown that there was need to be careful about other things as well as spiritual things.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MORSE. I am sure the Senator from Maine, upon reflection, will recall that one of the main points I made in support of the Marshall plan was its economic advantages, so far as self-interest economically is concerned. I particularly referred to the language beginning toward the bottom of page 18 of the bill, I think it is line 21, and occupying all of page 19, which seeks to make sure that American business interests will enjoy economic advantages under the Marshall plan, by what amounts, may I say for purposes of illustration, to another cost-plus arrangement.

Mr. BREWSTER. It seemed to me that the remarks to which the Senator from Oregon refers were somewhat inconsistent with the other emphasis which he laid upon a word—and I recall the word "mercenary," perhaps with undue sensitivity, since it seems to me that we in this body are constantly mercenary with our own people. We have proposed a reduction of $2,500,000,000 in the current budget. That is mercenary. That is trying to reduce the amount which we must take from the American people to pay the expense of the Federal Government. If we are going to make reductions of that character in the interest of the welfare of the American people, it seems to me that we may appropriately consider also what is to be done with the appropriations for our friends across the seas.

I also feel that we in this country can hardly be considered mercenary when not only did we make vast appropriations for the war, amounting to more than $300,000,000,000, leaving us with a $250,000,000,000 debt, but we made actual gifts, as they amounted to, in excess of $40,000,000,000 to our friends across the seas before the war ended, and $22,000,000,000, I believe the figures are, since the war ended. We are now considering further appropriations. And whether or not any certain figure is a magic figure—I think the Senator from Michigan made quite clear that it was but an educated guess, but that the committee did the best it could—I am sure the members of the committee will accord to others the privilege, as we possess also the responsibility, of forming as well as we can an impression as to the accuracy of the estimates.

This plan started, as Senators doubtless recall, with an estimate from the European nations of $27,000,000,000 for the plan. It was later reduced to $22,000,000,000, and later reduced to $17,000,000,000, and still later reduced, when the Senator from Michigan eliminated the nasty old dollar sign for a 4-year total, to $6,800,000,000, and then by another reduction by the calendar of 3 months to the point of $5,300,000,000.

Now it seems to me that everyone in this body is responsible for considering whether or not that precise figure may be correct. I am quite sure that we do not yield to anyone in our respect for all those at home and abroad who have studied this problem and have made recommendations regarding it, including the Harriman Committee, the State Department, and the Committee on Foreign Relations. But I am somewhat allergic to these figures because there are still ringing in my mind the masterly and always eloquent words of the Senator from Michigan when, with equal logic and equal oratory, he persuaded us that the $4,000,000,000 for the British loan was precisely the amount which in 4 years was not only going to afford relief, but was going to bring about economic rehabilitation which would remedy all their economic ills. I must say that I did not yield to his logic at that time, and voted against the British loan. It seems to me that every development since that time has completely vindicated the wisdom of those who accepted the idea of making a gift to Britain at that time of either one billion or one and one-half billion. They believed that it would have advanced them much further along the line toward the recovery which we all so much desire.

But lest I be charged with prejudice in suggesting that not only has the British loan not accomplished the purpose for which we were told it would be used, but that it has been diverted to other purposes, and, in order to establish that fact, I will call to testify no American, but one of the most distinguished of British statesmen, the Honorable Winston Churchill. I shall quote his language regarding the diversion of the British loan to purposes other than the high objective with which it was advanced here on this floor, and suggest that we must bear that in mind in determining whether or not safeguards have now been inaugurated to avoid a similar diversion of the advances which are now proposed.

Mr. KEM. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. KEM. I was not a Member of this body at the time the late lamented UNRRA was under consideration. I should like to ask the Senator from Maine if eloquent voices were raised in its behalf.

Mr. BREWSTER. They certainly were; and it was pointed out at that time that in 1919 an exactly similar proposition was made to the administration under Woodrow Wilson. He repudiated the idea of associating the United States Government with other nations in a relief program 90 percent of which would be furnished by America. We went upon our own, and the great Wilson program was carried out under the direction of Herbert Hoover. It cultivated more good will than has been gained by all the $20,000,000,000 we have spent in the 2 years since the end of the last war.

Mr. KEM. The Senator from Maine has an uncanny memory. I should like to ask him if the Bretton Woods agreement was highly recommended when it was presented.

Mr. BREWSTER. It certainly was.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. TOBEY. I plead guilty, and I have no apologies to make, either.

Mr. KEM. I have no doubt the Senator voted for the entire program. I should like to ask the Senator from Maine if the plan for the Bank of International Settlements was also highly recommended.

Mr. BREWSTER. It was.

Mr. KEM. Have any of those programs worked out according to the plans at the time they were presented?

Mr. BREWSTER. They have not been adequate to accomplish the purpose. I may say that the Export-Import Bank, to which I shall refer in a moment, seems to me much better calculated to assist in some of these programs than the method we are now pursuing.

Mr. KEM. Have any of the programs we have just referred to accomplished any appreciable results?

Mr. BREWSTER. I would not want to enter into a discussion of that question, because that would involve the whole program. I have no doubt that they have done some good, but it is certainly sufficient to say that they have not accomplished the end which we all have in view, and we are still engaged on that great enterprise.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. VANDENBERG. The Senator from Missouri has referred to the uncanny memory of the Senator from Maine. I wish to prove that it is uncanny. He has referred to the eloquent appeal which I made to the Senate in behalf of the British loan. I was attending the Paris Peace Conference at the time of the British loan, and if the Senator received any impression of an eloquent appeal to him it must have been by telepathy.

Mr. BREWSTER. My recollection of the statement of the Senator from Michigan to me in person was that he had reluctantly come to the conclusion that he must support the British loan. Am I correct in that recollection?

Mr. VANDENBERG. Did the Senator leap from that conclusion to the assured conclusion that the Senator from Michigan must have made an eloquent speech on the subject?

Mr. BREWSTER. I think his slightest utterances are eloquent, and they have been impressive.

I appreciate the indulgence of the Senator from Michigan when he stated that he could not blame any Senator for voting against the British loan, although he felt compelled to lend his support to it.

Mr. VANDENBERG. The record shows that the Senator from Texas [Mr. CONNALLY] and I were paired on the roll call. I heard none of the debate. I came to a long-distance conclusion, and the Senator reached his judgment on the subject without any assistance from the Senator from Michigan.

Mr. BREWSTER. I certainly shall not raise any question of recollection as between the Senator from Michigan and myself; but I had quite clear recollections of my discussions with him before he departed on his trip. I am quite willing to accept his amendment as to his eloquence. I have no doubt it would have been adequate if it had been heard.

Whoever it was in this body who presented the British loan certainly argued with great eloquence that it would accomplish two objects, first, relief, and second, rehabilitation. We were told that in the 4-year program which would ensue that would be the result of that advance.

I wish to read what Winston Churchill said regarding the use of that loan, in order that we may be warned of the pitfalls which await advances of this character. This is the statement of Winston Churchill on August 19, 1947, regarding the use of the British loan:

> But there are other reasons why the loan has been ineffective. Owing to the follies and indecision of the Socialist Government, a great part of the loan has been spent, not on the reequipment of our industry nor upon the import of basic foodstuffs.
>
> Instead, much has been frittered away in American films and tobacco, and in large quantities of foods and fruits, which, however desirable as indulgences, were not indispensable to our active recovery.
>
> When you borrow money from another country, for the sacred purpose of national rehabilitation, it is wrong to squander it upon indulgences.
>
> Why wait till the 12th hour is near before taking the measures which every prudent housewife would have taken in her own home as soon as she understood what was happening?
>
> The Government had the knowledge, but they had neither the sense nor the decision to act. They were too busy planning and making their brave new world of controls and queues, of hordes of officials and multitudes of regulations.
>
> They exhausted what energies they had, and consumed their time and thought in carrying out their party fads, in choking the House of Commons with partisan legislation, in disturbing, discouraging, and even paralyzing business enterprise by nationalization schemes of no productive value, but which cast their threatening shadows and interferences far and wide over the whole field of British industry.

Those were the considered words of Winston Churchill as to the fruits of the $4,000,000,000 British loan, which has been exhausted in the first 19 months, instead of in the 4 years for which it was planned.

I come now to a more recent testimonial, by Geoffrey Crowther, of the London Economist. Again, lest I be charged with prejudice as to the diversion of the British loan, I call him also to testify. He is a long-recognized figure in Britsh economic and social life. I wish to read what he had to say regarding the British loan and the dangers it presents if we go further along this line. These are his words, published in the past month:

> Britain faces bankruptcy. In the past 2 years they have as a community overspent their income to the extent of $4,000,000,000, and the rate of overspending was almost twice as large in 1947 as in the preceding year.
>
> Can Britain afford $800,000,000 for Government expenditure overseas, or to feed a million mouths in the services in return for no productive work? It is easy to make a case for keeping 2,000,000 Government servants, but if 500,000 were returned to industry would the gain in output not ease the burden of controls?

No one will criticize the Government for wishing to build better schools, new hospitals, and more and better houses. But it is not usual to add a bathroom to the house just as the receivers walk in.

Mr. VANDENBERG. Mr. President, when the Senator from Maine will yield, I wish to refer to our previous colloquy, because I am in the position of being forced to present my apologies to the Senator. I find that before I left for Paris I had presented a discussion of the British loan in a general way on the floor of the Senate. The able Senator from Iowa [Mr. WILSON] has called it to my attention. The Senator from Maine is entirely correct in the statement he made.

Mr. WILSON. Mr. President——

Mr. BREWSTER. Mr. President, along with the statement of the Senator from Michigan, I think it appropriate to incorporate in the RECORD, if the Senator from Iowa will excuse me for a moment, some of the statements of the Senator from Michigan which appear in the CONGRESSIONAL RECORD, volume 92, part 3, at pages 4079 to 4082:

> In my opinion, this measure may prove to be a decisive factor in determining whether we are to live in a world of decent commercial opportunity or whether we are to attempt survival in a world of bitter economic strife and in a world of government cartels which might make any sort of peace impossible.
>
> * * * * *
>
> The fundamental American purpose in this loan is to provide Britain with about 70 percent of the foreign exchange she will require in a transitional period of perhaps 5 years, the balance coming from other available sources—to do what? To permit her to abandon these restrictive controls.

Of course, Mr. President, the controls today are more onerous than the ones at that time.

The Senator from Michigan continued as follows:

> I do not consider that I am voting a precedent for any other loan, because there is no other loan which could involve the factors embraced in this one. Mr. President, the committee's report is very distinct on this point, and I read from it one sentence:
>
> "It has been made clear to the committee that the British loan is in no way a precedent for other loans, because the proposed credit to Britain is intended to meet a particular problem that does not exist with respect to any other country in the world."

Mr. President, I do not question the utter sincerity with which those words were uttered, nor the bringing to bear upon the matter all the wisdom and experience and background and the wide range of knowledge which had been acquired by the Senator from Michigan. But I feel that it is incumbent upon all of us to seek to appraise this problem in the light of the conditions which have developed.

I wish to proceed with the quotation from Geoffrey Crowther, in the London Economist, in further comment upon the dissipation of the British loan. He said:

> It is not usual to add a bathroom to the house just as the receivers walk in.
>
> This statement will no doubt be contested. Why speak of Britain's only assets when there is every chance that by midsummer the Marshall plan will have been passed by Congress and assistance will be assured for the next 18 months at the least?

He suggests that this aid is to go on for 18 months.

I read further:

> Even Sir Stafford Cripps has said today that the only hope lies in American assistance, to give Britain the necessary time to bring about the restoration of normal conditions.

But he goes on to say:

> But herein lies precisely the danger. Continual borrowing can have the same effect as continual drinking. The borrower's—like the drunkard's—sense of reality tends to fade. Britain has already had the American loan and the Canadian loan and will get the South African loan. All have been necessary but all have helped to mask from government and people alike the country's true economic straits. A standard of living has been maintained, reserves have been eaten up, expenditures undertaken on a scale which is quite out of accord with Britain's real economic position. And what guarantee is there that the Marshall plan may not be used in the same way?

Mr. President, these are the words of a most distinguished Englishman, written in the London Economist.

He states further:

> The only proper, the only long-sighted, the only courageous course would be for Britain to pursue now the policy it would pursue if the Marshall plan were reduced to a half or a third and to use the surplus thus created to build up reserves, modernize industry, develop economic integration in Western Europe and undertake now the program of hard living and hard working in which, in the long run, salvation alone will lie.

Mr. President, those are the words spoken by an Englishman, and they are worthy of ringing around the world as the only solution for the economic ills of any country on this earth.

As to the more specific problem in regard to the question of an educated guess, I shall be specific, with the suggestion that there are two items, which have come to my attention, which it seems to me are easily susceptible of bridging the gap between the pending amendment and

the amount in the bill as recommended to the Senate.

I have not personally ever believed that the balance-of-payments approach was wise. I have felt that it resulted in an inevitable amount of legerdemain that no one could control; that when we adopt the balance-of-payments aproach it becomes utterly impossible to determine what is wise and what is unwise. I should much prefer to see the approach made on the basis of the relief which every American is happy to furnish—relief for those who are hungry—and, second, to have the remainder of the program for economic rehabilitation upon the basis of specific aid and grants for specific projects. That is the only sound course if we are really convinced of the wisdom of our devotion to free enterprise. The moment we speak from government to government, we adopt the very totalitarian approach which we are fighting. Yet as the matter is presented here, and as I have previously said, under the circumstances there seems in the 9 months remaining before there may be a change in the Administration, no other course under our constitutional processes in the conduct of our foreign relations, and with the world in the situation we now face, than for us to go on with this program, hoping and praying that greater wisdom will be used in its administration than has been demonstrated in the case of the loans heretofore advanced.

But when we come to the question of amount, accepting the theory of the balance of exchange, there have been two items which have come to my attention in my study of the voluminous documentation of this situation and all the reports and in all the statistical volumes with which we have been inundated—and I think the Foreign Relations Committee discovered the extent of those matters when it was obliged to date its reports from day to day, and when it discovered that a report which had been received 4 days earlier was already outdated. In other words, there has been a constantly changing panorama. So I think no one needs to be concerned if there is evidence that something remains to be considered.

Mr. President, it was the clear conviction of Winston Churchill that the previous loan had been ineffective, and that much of it was frittered away on items not indispensable to British active recovery. I think the Senator from Oregon, in his recitation of percentages, indicated that rather clearly, because I am quite sure that the rehabilitation of England was not advanced by the approximately 20 percent of that loan which was devoted to tobacco and to films. So we have ample evidence that there was possible a reduction which would have enabled us to make a saving of a billion dollars in that other loan, and still accomplish every measure of rehabilitation which was desired.

But what of the present loan, now under discussion, and of the question of whether it could properly be reduced $1,300,000,000? I am going to suggest two items on which alone this amount could be saved in the balance of payments, as presented to us by the 16 European nations now seeking our aid. One of them is in the construction of ships alone. I think it is very proper to consider that, since our own State Department in their recommendations in this matter eliminated four to five million tons of shipping which the European nations had proposed to construct, on the ground they were not justified in going forward with the construction of those ships when there were other matters that had such overriding priority. That meant a saving of almost a billion dollars. The European countries had proposed 15,000,000 tons of shipping to be built during the next 4 years. That would require 6,000,000 tons of very precious steel produced either in Europe or in America. They expected to get 2,000,000 tons of that steel from us. That would require the diversion not only of materials but of manpower.

We had a report from the European countries that every country in Europe outside Italy had a shortage of manpower, so that when they were diverting this labor to the construction of ships, meanwhile more than a thousand ships are tied up in our harbors waiting only for cargoes to put them on the seas, so that there is absolutely no excuse for the construction of millions of tons of shipping in Europe during the critical period of the next 2 or 3 years when every bit of their resources and of their manpower should be dedicated to the primary purpose of restoration.

They are operating their shipyards at twice their normal construction rate. They have now in their yards under construction 5,000,000 tons of shipping. They have contracted for 6,000,000 tons more. The State Department allowed those two items of 11,000,000 tons of shipping to go along in the program. That 6,000,000 tons of ships alone, at $150 to $190 a ton, which is the cost in the European yards, will be more than a billion dollars—that one item alone. It seems to me that everybody concerned either with the American merchant marine, as we indicated we were the other day, or with the welfare of America and of Europe, may properly say that they shall defer the construction of the extra 6,000,000 tons of shipping until they are in a better condition.

I might say that some of the ships of Holland at the present time are being traded to Finland and to Poland for supplies, which means that some of the steel and some of the ships are going behind the iron curtain. That again is a further unfortunate phase of the ship construction matter.

I have one item of a similar character, which is a matter even more unwarranted and unwise. The item deals with the air. England in the last 2 years has allocated $600,000,000 to establishing air supremacy, not in military, but in commercial aviation. That seems to me to be utterly unwarranted, and many in Britain feel the same as I do. A careful reconsideration of the whole program is under way, but it should receive the impulsion of the Administrator of this vast fund to persuade them that when last year alone they lost $40,000,000 in the operation of their imperial airway, in seeking to drive the American flag from the air, it was utterly unwarranted when we were putting up the money that alone enables them to carry on.

We recognize their desire for shipping, we recognize their desire to be in the air; but when they allocate $600,000,000, I wonder what would happen if I should stand here on the floor and propose that $600,000,000 should be dedicated to commercial aviation in the United States? I would be laughed at. It is 5 to 10 times what we are putting into commercial air, and yet Britain in her bankruptcy calmly allocates $600,000,000 to commercial air, and she lost $40,000,000 last year in a vain attempt to establish British commercial aviation.

These two items alone will account for the $1,300,000,000 which it is proposed by the amendment shall be taken from the amount provided in the bill which is now pending. It seems to me we may well give careful thought to being charged with being mercenary or lacking in the spiritual emphasis, which the Senator from Oregon so properly and so eloquently portrayed. We, too, are concerned with spiritual values, and "too often in recent years, liberal governments have been wrecked upon the rocks of loose fiscal policy." Those are the words of Franklin D. Roosevelt, in 1932, I think those words are as wise today as when they were uttered, and they are as wise in England and in all the other governments of Europe as they are here.

I speak in no disparagement of our British friends. They face great problems, but they must also realize that we face great problems, and if the Government of Britain could not use the British loan of $4,000,000,000 for the purpose for which it was designed, as everyone understood, what hope have we that some of the other governments of Europe that are in a far more serious plight will be able to be more prudent in their expenditure, unless the Administrator of the fund shall conduct it with far more zeal, with far more regard to the primary interests concerned? I have thus far not seen, in the glittering generalities with which this has been approached, a recognition of that peril and that problem.

These are the reasons why I feel we may be warranted in authorizing the sum of $4,000,000,000 instead of the $5,300,000,000 proposed for the first 12 months of the loan, realizing they will be back, that in another year the entire program will again be before Congress.

I want to add this final word, not for ourselves, because we shall be here to pass on this next year, but for the governments of Europe, that they will be very ill-advised if they take any advantage of any lack of, let us say, Yankee prudence on the part of the American administrators, if they take advantage of that as they did in the British loan, as is now confessed openly by all. If they take advantage of that, it may cause a reaction which will be very disastrous to all the

things that we desire. So in closing, not only to caution the administrators of the fund, but also the European governments concerned, I say that it will behoove them in the next 9 months to exhibit something of that regard for the dollar and for the fundamental principles enumerated by Goeffrey Crowther, in the London Economist, the principles of hard work and devotion to duty, rather than to seek constantly their recovery at the expense of the American taxpayer, who cannot indefinitely continue to carry on.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Ohio [Mr. TAFT].

Mr. CONNALLY obtained the floor.

Mr. MORSE and several other Senators requested the yeas and nays.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kem	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eastland	McGrath	Thye
Ecton	McKellar	Tobey
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Malone	Watkins
Fulbright	Martin	Wherry
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. CONNALLY. Mr. President, I inquire if the pending question is the amendment offered by the Senator from Ohio.

The PRESIDING OFFICER. The Senator is precisely correct. The question is on agreeing to that amendment.

Mr. CONNALLY. Mr. President and Members of the Senate, this has been a notable debate and one which has probably been staged on a level which has surpassed anything of its nature in many years.

The task which we have assumed is a great one. It is a colossal program, from a financial standpoint, to aid western Europe and western Germany. It is colossal because the problem before us is colossal. In my opinion, not since the Thirty Years' War has the world been in such a state of chaos, such a state of flux, such a state of uncertainty as it occupies today.

Mr. President, what is this plan and why has it been presented? As is well known, the program is to extend relief in two phases to the nations of western Europe and to western Germany. It is not to afford them temporary food, temporary relief to tide them over the winter, and leave them after the winter shall have passed in the same situation which they occupied before the winter began. It has two aspects: One is, of course, to furnish temporary food, temporary fuel, and other temporary relief measures to alleviate suffering, relieve hunger, and somewhat abate the chaos through which those nations have passed.

Why should we do that? Why is it our task? The chief reason for the action is that today the United States is the only country on earth which is capable of extending relief on the level on which it has been extended and of looking forward into the years with sufficient economic, political, and military strength if need be, to carry out and follow up the program.

Mr. President, I look upon this measure as being somewhat of a prolongation of our war obligations. We fought the war and spent $260,000,000,000. Why did we wage that war? We did not wage it in order to gain territory for ourselves. We did not expect reparations and we have so far gained none. We did not fight the war to bring other nations or other peoples under the yoke of the United States. We fought it largely for the purpose of preserving democracy and freedom in the world and to prevent aggression by totalitarian and military powers against the democracy and freedom of other nations of Europe. That was a part of the war, that was a part of the war cost. But when the war ended, for the time being, at least, by the combatants laying down their arms, we did not complete the purpose we had in mind in waging the war. Why save the democracies, why save the liberties of people, unless they are to be carried on into the years of peace, to be the servants and the agencies of the free governments of the world?

Mr. President, this program has in it, in addition to the immediate relief measures, provisions of an economic character. I say to the Senator from Maine [Mr. BREWSTER] who just concluded some very interesting remarks, that the economic sections of the bill do not necessarily mean grants. It is within the discretion of the Administrator as to whether they shall be loans or whether they shall be investments with long-term repayment, or shall take some other form of extending aid in those directions.

The purpose is to make it possible for these nations, after they shall consume the temporary food and relief, to rebuild their economies, to get back on their feet, to secure the strength and the prowess to rebuild their economies and stand upon their own feet.

Mr. President, the Senator from Ohio [Mr. TAFT] has offered an amendment cutting the authorization from $5,300,000,000 to $4,000,000,000. From the remarks of the Senator from Ohio, I fail to understand what particular standard he took in arriving at the $4,000,000,000. He argued about the British loan, which only indirectly has anything to do with the present issue. He argued about the International Fund, which is still pretty much intact and undisturbed, which has no direct relation to the pending bill.

What did the Committee on Foreign Relations do about the amount? We did not pull this amount out of a hat. The committee did not merely go out and look at a lot of figures on the board and say, "We will take $5,300,000,000." The Committee on Foreign Relations examined this question with as much care and with as much pains and with as much interest and industry as it has devoted to any question which has been discussed since I have been a member of the committee.

We had a standard. When Secretary Marshall made his memorable speech at Harvard University suggesting the plan, Great Britain and France called a meeting of the 16 beneficiary countries. Their preliminary estimates and requests were for $29,000,000,000. The State Department of our Government and the executive department soon scaled that down. They screened it and scaled it down to $22,000,000,000.

We were not satisfied with that. We provided further screening and further scaling, until it went down to the point of $17,000,000,000, to be expended over the 4½ years. But in order to meet the existing situation, and to meet the views of the Senate, we took out of the bill the $17,000,000,000 authorization and left it open, merely authorizing such funds as the Congress might desire to appropriate in the 4-year period.

How was the $17,000,000,000 figure arrived at? The matter was submitted to the Harriman committee, headed by the Secretary of Commerce, Mr. Harriman, a businessman of large means, wide experience, and sound economic views. That committee was composed of some of the most distinguished businessmen, economists, and publicists within the United States. It was not a partisan committee; membership on the committee was not restricted to Democrats or Republicans, but after a broad view of the whole economic and business field, these men were selected for their character, their experience, and their public spirit. One of our distinguished former Members, Mr. La Follette, was an active member of the committee, and served as its secretary or vice president, or in some other capacity.

After literally weeks of work upon the problem, the committee agreed upon an estimate of $17,000,000,000. In their judgment that amount could safely be expended by the United States without weakening or shattering our national economy.

Mr. KEM. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield briefly to the Senator from Missouri.

Mr. KEM. My question will be very brief.

Mr. CONNALLY. Very well.

Mr. KEM. I should like to ask the Senator whether Secretary Harriman, testifying before the committee, had this to say:

We must frankly face the fact that the ERP will add to our difficulties in trying to control inflation.

Mr. CONNALLY. Of course, if the Senator reads that and says the Secretary made that statement, he did make it. Of course we all know this program involves difficulties to us, it involves the difficulty of spending all the money we are putting into it. I should prefer that we did not have to do that. I should prefer that there should be no appropriation, if such could be the case.

But we face realities. We do not face myths, and ghosts, and shadows; we face realities. Of course it is going to cost us something, and I may say to my distinguished friend from Missouri that it may also result in hazards and chances. No man can say that this program, or any other program of its kind, will work out perfectly. We may have great disappointments; it may fail in some particulars; I grant all that; but if we should not do what is proposed, what would we want to do? Would we want western Europe, one of the fairest regions on earth, to go down into gloom and disappointment and confusion, and perhaps become the victim of totalitarianism? Men with hungry stomachs and weary bodies and cold bodies are apt to yield to the seductive allurements of totalitarian arguments, looking out to grasp any hope, any promise, any expectation they think they may achieve by embracing a new doctrine.

Of course it is going to cost money, it is going to cost the taxpayers money, it is going to cost other people money, but if we by this measure can contribute to the stability of western Europe, if we can contribute to the stability of the earth, if we can contribute even slightly to the prospect of peace and to the security of peace in Europe, it will be worth all the sacrifices we make; it will be worth all the money we spend.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. KEM. I should like to ask the Senator if we have not already yielded to many seductive allurements, to use his striking phrase, in connection with UNRRA, the Bank for International Settlements, the Bretton Woods agreement, the Export-Import Bank, the temporary loan, and so forth.

Mr. CONNALLY. So far as the Export-Import Bank is concerned, I think that is a good institution. I do not think it is on the basis of extending temporary relief and aid.

Mr. KEM. Of the long list, is that the only one the able Senator from Texas would undertake to justify?

Mr. CONNALLY. I did not say that. The Senator gave me a chance to answer for only one. Let me say to the Senator that while I greatly admire the distinguished Senator from Ohio, who made a very interesting address today, and respect his views and his ability, as well as his courage, much of the address of the Senator from Ohio was in favor of cutting down the amount practically to the level of relief, because he said that one reason why he wanted the figure at $4,000,000,000 was that that was about the same amount that we had been spending in past years.

What have we been spending money for in past years? Does the Senator want another UNRRA?

Mr. President, I hope the Senator from Missouri will listen. There is no use in my explaining things to the Senator from Missouri if he is not going to listen.

Mr. KEM. I am hoping the Senator from Texas will get around sooner or later to the question I put to him.

Mr. CONNALLY. I have answered the Senator's question, or I am trying to answer it now, but if the Senator neither listens nor observes and follows my answers, there is no use in the Senator from Texas wasting his time on the distinguished Senator from Missouri. [Laughter.]

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield for one question?

Mr. CONNALLY. Yes.

Mr. ROBERTSON of Virginia. Is it not a fact that if we appropriate and spend in the next 12 months all the proposed $5,300,000,000, our exports in that period will not exceed the exports of 1947, although our domestic production is increasing, and the scarce item of steel, if we do not have any strikes, will in 1948 be the greatest in our history?

Mr. CONNALLY. The Senator is correct. The exports for 1947 were so tremendously high that what he says is entirely true.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I yield.

Mr. WHERRY. May I ask the able and distinguished Senator from Texas—

Mr. CONNALLY. The Senator may ask me anything after that introductory part of his question. [Laughter.]

Mr. WHERRY. My question is asked by reason of the query propounded by the Senator from Virginia whether the over-all exports will not be less, possibly, than those of last year. Let us take that assumption as correct. I should like to ask the distinguished Senator from Texas if it is not a fact that the over-all figure is not the important figure. The important point is: Will there be a continued export of commodities which are in scarce supply? I wish to ask the Senator if he has any information on this particular subject which he can give us based on the Harriman report.

I happen to have had considerable experience in the Small Business Committee with the subject of steel. There is a tremendous shortage of steel. The shortage of steel today is greater than it has ever been before. The shortage of steel is so great that building construction is affected. Pipe lines for the carrying of petroleum cannot be built. Many other important projects are delayed because of the shortage of steel.

I wish to ask the Senator from Texas whether the Harriman report deals at all with commodities which are really in scarce supply. The Senator from Maine [Mr. BREWSTER] spoke of the shipbuilding program and the need for steel in connection with it.

The Marshall plan now under consideration would cover the construction of great power dams. As I understand, if the plans now under consideration are carried out, there will be a $5,000,000,000 investment in power dams and power projects in the participating countries. There will be another $5,000,000,000 program of electrical distribution. In the next year, and in the full 4-year period, as the program advances, much of the material needed for such purposes will come from the United States.

My question is as follows: Did Secretary Harriman, whom the distinguished Senator from Texas praised highly—and I think deservedly so—in his testimony make a statement, or can the Senator find anything in the report relative to the export of scarce materials? It seems to me that that is something which will have an impact upon our domestic economy. How great is the export of such materials to be? What attention was paid by the Harriman committee to the impact upon our domestic economy by reason of such exportation? Statements have been made concerning the needs of the countries involved, but what will be the effect upon our domestic economy of supplying those needs with materials in scarce supply in our own country?

Mr. CONNALLY. I will say to the Senator that in considering the bill, and in deliberations upon it, the committee had in mind scarce materials, and we tried to provide, as best we could, that scarce materials would be conserved. One angle of it was that we provided that many of the commodities should be bought in South and Central America; not in our own domestic markets.

Mr. WHERRY. That refers to grain particularly. Very little, if any, steel could be obtained in South or Central America.

Mr. CONNALLY. I shall read the Senator certain figures with respect to steel in a minute. If the Senator wants information respecting steel, I shall give him as much information as I can.

Mr. WHERRY. I am more particularly interested in steel than in any other one thing at the present time. I agree with the Senator that there will be off-shore purchases of commodities in South America—grain and agricultural products. But I am primarily interested in the impact upon our domestic economy, as I previously stated, if we send scarce materials abroad. I asked the distinguished Senator from Michigan [Mr. VANDENBERG] to give us a break-down of the amount of steel that was going from the United States, and he said he would secure the information. I have not yet been able to secure it. I wonder if the distinguished Senator from Texas has the figures?

Mr. CONNALLY. I do not have them at hand. I shall secure them for the Senator.

Mr. WHERRY. I could not secure them from the State Department nor from the Foreign Relations Committee.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ROBERTSON of Virginia. If we have no strike this year it is estimated that we will produce 96,000,000 tons of steel, which is far above our steel production during the war.

The Senator from Texas asked: "If we do not aid the 16 nations of Europe to become self-supporting, and help preserve their democracy, what is the alternative?" He answered his own question by saying that the alternative is bound to be a military establishment on our part. What amount of money would be involved in that? He said it would be $10,000,000,000. Why would not that be inflationary? If we exchange butter for guns, that has always made butter higher in cost, has it not? That has been the experience in Russia. Shoes and clothes and everything else are higher there, because they have put so much money into the military establishment.

Mr. WHERRY. Mr. President, will the Senator again yield to me?

Mr. CONNALLY. I yield.

Mr. WHERRY. I think when we are discussing what are the needs of the countries over there we also should survey with the same degree of diligence what is the availability of supplies here. I have the report on the European recovery program. It contains the latest figures up to the Paris Conference. It sets forth what countries need steel, and how much they require.

Let us begin with Ireland. An allocation by the CEEC of $2,500,000 is made to Ireland. What are the figures with respect to production and so forth in Ireland? The figures are not available. We may ask for the amount of ore mined, but we find in this report the words, "not available." If we ask about pig iron we find the words "not available." Figures for crude steel production—"not available." Steel, finished—figures "not available."

We turn to Italy and ask the same question.

In all cases of questions dealing with iron and steel production we find the words "not available," "not available," "not available."

We turn to Luxemburg. Luxemburg wants $43,000,000 worth of steel. If we ask for the figures as to ore mining, pig iron, crude steel, the answers to all the questions again are, "not available," "not available," "not available."

We come now to the Netherlands. Forty three million dollars worth of steel is asked by the Netherlands.

Mr. CONNALLY. I do not mind yielding, Mr. President, but I do not like to yield so that a Senator may make a lengthy dissertation upon what is contained in a book.

Mr. WHERRY. I shall be glad not to take any more time of the distinguished Senator. I was very much interested in the statement he made, and it prompted my questions.

Mr. CONNALLY. The Senator has an advantage. He has the book in front of him and is reading from it. I do not have the book.

Mr. WHERRY. I shall be glad to give it to the Senator from Texas.

Mr. CONNALLY. It seems to me quite peculiar that one who has all the information in front should ask questions of some one who does not have the information available to him.

Mr. WHERRY. I may suggest to the distinguished Senator from Texas that he made the statement that the Harriman committee surveyed the economy of the United States, and went into the figures of steel production down to the last ton. Now I have here the figures which were prepared before the Paris Conference. The needs of various countries are set forth, but their own production figures are not available. If the Senator has any figures which give the break-down for the countries to which steel allocations were made at the Paris Conference, or for any time prior thereto, I should like to have them. I have not been able to obtain them from the State Department, or from the Foreign Relations Committee. My humble opinion is that they are not available. Therefore the figures with respect to steel, in my opinion, are certainly not authentic, that is, so far as the need of the various countries for steel is concerned.

Mr. CONNALLY. I thank the Senator for his very great contribution.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CONNALLY. I shall yield to the Senator in a moment. I have some information respecting iron and steel which I can give to the Senator from Nebraska. It is not in complete detail, but, for example, with respect to scrap iron—

Mr. WHERRY. There is no scrap iron leaving this country anywhere at this time, and it is not contemplated under this plan. If it is, I should like to know about it. I have investigated the steel business. We are investigating every ton that is leaving the country. There is not one ton of scrap iron being exported anywhere at this time.

Mr. CONNALLY. That ought to satisfy the Senator.

Mr. WHERRY. The Senator was quoting figures with respect to scrap iron.

Mr. CONNALLY. It was estimated that 2,000,000 tons would be exported.

Mr. WHERRY. No scrap iron is leaving this country at the present time.

Mr. CONNALLY. I am willing to scrap the scrap iron.

Mr. WHERRY. They asked for 1,399,000 tons, and it was cut out entirely, so there is no scrap iron going across the water.

Mr. CONNALLY. All of which proves what I said.

Mr. WHERRY. What?

Mr. CONNALLY. That in screening the programs we cut down everything we could so far as scarce materials are concerned. The Senator has just pointed out where we cut down 1,399,000 tons.

Mr. WHERRY. The same committee increased finished steel from 449,000 tons to 1,150,000 tons, and that is what we are trying to find out about.

Mr. CONNALLY. Finished steel has given employment to American labor and American plants, whereas the scrap or rough steel has not done so. That ought to contribute somewhat to our economy. We are interested in getting our people at home back to work, as much as we are interested in working in the Senate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield. I hope the Senator will not ask me about his plan, because I am not prepared to discuss it.

Mr. CAPEHART. I am quite aware of that fact, but I would like to ask this question: Of the $5,300,000,000 to be appropriated under the bill, what percentage does the Senator feel will be spent during the next 9 months for purely relief purposes, and what percentage for purely recovery purposes?

Mr. CONNALLY. I will say to the Senator that those matters of detail will, of course, be under the jurisdiction of the Administrator, but I feel that a large percentage of the initial appropriation will go for relief.

Mr. CAPEHART. Would the Senator say that perhaps 75 percent would be for relief?

Mr. CONNALLY. I do not think it would amount to that much. I have the figures here if the Senator is interested in them. I have a long list of the countries. Is the Senator interested in any particular country?

Mr. CAPEHART. I was only interested in the total amount. Would the Senator say that the percentage would be as high as 75 percent?

Mr. CONNALLY. The estimate is that there will be a total of $4,899,000,000 for relief-type commodities and services. The total estimated for recovery is $1,900,000,000. That was based upon $6,800,000,000 for a 15-month program. We have since reduced that to 12 months and the amount to $5,300,000,000.

I was about to quote further with respect to iron and steel, but I notice that the Senator from Nebraska has vanished.

Mr. CAPEHART. Mr. President, I do not care for the break-down.

I should like to ask one further question: Does the Senator from Texas agree with the statement which the able Senator from Michigan made yesterday—that relief will inevitably dominate the program most of the way during the next 9 months?

Mr. CONNALLY. I said so awhile ago.

Mr. CAPEHART. Relief will dominate for 9 months?

Mr. CONNALLY. I believe that naturally the most pressing problem will be relief of those in want and those suffering from hunger. When they get some food in their systems they will be more likely to go to work.

Mr. CAPEHART. If it is impossible to put the recovery program into effect for 9 months or a year—and I believe that was the opinion of the able Senator from Michigan, and I believe that

the Senator from Texas agrees with that opinion——

Mr. CONNALLY. I do not entirely agree. The recovery program will perhaps not get into full blast in 9 months, but there will be some progress toward recovery.

Mr. CAPEHART. What I am trying to say is that if it is impossible to get the long-range recovery program going in 9 months or a year, and if out of the $5,300,000,000, 40 percent is for long-range recovery, we might well get along with $4,000,000,000 for the next 12 months.

Mr. CONNALLY. I thank the Senator for his speculation; and that is all it is.

Mr. CAPEHART. It is no more speculation than the $5,300,000,000.

Mr. CONNALLY. That may be, too.

Mr. CAPEHART. It is all speculation.

Mr. CONNALLY. It is speculation, that is true; but the figures have been repeatedly screened by those who ought to know—first by the State Department and then by the Krug committee, who had reference to our own economy here at home, as to whether it would be an undue burden on it—then by the Harriman committee, composed of the most distinguished economists and public men in the United States; and finally by the Committee on Foreign Relations, for which I hope the Senator has some respect.

Mr. CAPEHART. I assure the Senator that I have a great deal of respect for the Committee on Foreign Relations. However, I hope that during the next 30 years their record of recommendations of schemes for this Nation to enter into will be more successful than it has been for the past 30 years. I feel certain that it will, with the able Senator from Michigan as chairman of the committee.

Mr. CONNALLY. If the Senator is here 30 years from now, we shall try to advise him at the end of that time.

Mr. WHERRY. Mr. President, will the Senator yield for one further observation?

Mr. CONNALLY. I yield.

Mr. WHERRY. Does the Senator know whether or not the Department of Commerce has made any survey of the steel needs of this country since the war?

Mr. CONNALLY. The Senator knows the answer to that question. Why is he asking me?

Mr. WHERRY. I just wondered if the Senator knew.

Mr. CONNALLY. The Senator knows. I do not propose to waste any of my time answering something which the Senator already knows.

Mr. WHERRY. Does the Senator from Texas know?

Mr. CONNALLY. I assume that it has.

Mr. WHERRY. I should like to point out that it has not. The subcommittee which has handled the investigation of steel in this country had this to say a few weeks ago:

> The subcommittee notes that export quotas as determined by the Department of Commerce at the present time are based upon guesswork rather than on reality, inasmuch as no official over-all survey of domestic requirements has been made since the early war days.

Mr. CONNALLY. Of course not. Nothing else has been done except the war effort. We were at war.

Mr. WHERRY. How does the Harriman committee know what the economy can stand?

Mr. CONNALLY. I shall read the statement to the Senator, if he will be patient. The Senator is a wonderful parliamentarian, but he becomes impatient. He lets his intellectual horse run away with his physical feet.

Mr. WHERRY. Does the Senator mean that my mental footwork is outdistanced by what I can do physically?

Mr. CONNALLY. No; the other way around.

Mr. President, in answer to the Senator from Nebraska, who interrogated me as though he were cross-examining a witness in a justice-of-the-peace court—at which I am sure he is an adept—this is what the Harriman committee says with respect to iron and steel:

> We propose to supply 3,100,000 tons of iron and steel, valued at $290,000,000, during the first 15 months of the program.

That must be cut down now to 12 months.

> That is just over half the amount estimated in the Paris conference.

Mr. President, that is what I am telling the Senate. We are cutting the program everywhere we can. We are screening it and reducing it.

> Included are 2,100,000 tons of finished and about 1,000,000 tons of crude and semi-finished.

Mr. WHERRY. Was the program submitted on the basis of the Paris figures?

Mr. CONNALLY. No.

Mr. WHERRY. The 5.3 billion is not figured on that basis at all?

Mr. CONNALLY. Not at all.

Mr. WHERRY. On what basis is it figured?

Mr. CONNALLY. On the basis of $17,000,000,000, after we got through the screening process, and cutting it down.

Mr. WHERRY. The $17,000,000,000 was allocated after the Paris Conference.

Mr. CONNALLY. The Paris Conference met in July, I think, and started with $29,000,000,000. The Senator knows that. He reads the newspapers. He knows that the figure started at $29,000,000,000. When I first rose I explained that it started with $29,000,000,000, which was reduced to $22,000,000,000, and then a further reduction was made to $19,000,000,000. Finally, in the committee, it was reduced to $17,000,000,000.

Mr. WHERRY. Could it not have been reduced by another three or four or five billion dollars, if it is based upon the needs set forth in the Paris Conference? If those figures did not mean anything, how was the figure of $17,000,000,000 arrived at?

Mr. CONNALLY. We cut out a great many things that we thought they could do without.

Mr. WHERRY. Why can it not be further reduced?

Mr. CONNALLY. We can cut it all out, if the Senator wants to vote that way, but I do not favor it.

The Senator from Nebraska says, "Why not cut out some more?" I wonder where he would make the reduction, what particular thing he would cut out. These allocations and these total amounts were not fixed by some individual member of the committee saying, "I have iron in my State, I want some more iron in this program," or by a man interested in cotton saying, "We have not enough cotton in this program. Let us put some more cotton in it," or a Kentucky man, with a plug of tobacco in his pocket, saying, "Wait a minute; I want some more tobacco for this."

Mr. WHERRY. That is provided in the bill.

Mr. CONNALLY. I know it, but they might have gotten more.

Mr. President, this was undertaken to be a well-balanced program. They looked over the economic needs of these western European countries and western Germany, and they tried to reach a sound appraisal.

Of course, there is no absolute certainty of just where the line is going to be drawn, just how many bales of wool or just how many bushels of wheat will be needed. Those matters are subject to revision from time to time by the Administrator himself, in view of the necessities, and also in view of our own conditions here at home. If there should be a scarce material in the United States—and I hope the Senator from Nebraska will listen to me, Mr. President.

Mr. WHERRY. I am listening.

Mr. CONNALLY. I want him to listen with both ears, not with just one.

Mr. WHERRY. Mr. President, I admit that it takes both ears to listen to the Senator from Texas. [Laughter.]

Mr. CONNALLY. I thank the Senator. If he will listen twice, he will be better off than if he listens only once.

Mr. WHERRY. I thank the Senator.

Mr. CONNALLY. Mr. President, if it should develop that in this country there were some scarce material that we were badly in need of, to such an extent that we could not afford to export it, we could stop exporting it at once, under the provisions of this bill. The Administrator has the right to stop it, and the President of the United States, as the over-all administrator of all this program, would have the right to stop it, and could stop it at the very moment he discovered that situation.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. ROBERTSON of Virginia. I call the Senator's attention to the fact that after the Harriman committee's report was submitted, our steel manufacturing plants opened additional production facilities which will add 6,000,000 tons of steel to our annual production—which is twice what the Harriman committee reported for a 15-month period.

Mr. CONNALLY. I thank the Senator. That is very helpful, and I hope the Senator from Nebraska will hear it.

Mr. WHERRY. Yes; just before the Marshall plan comes in, we get that announcement.

I know exactly what the steel production is and what the steel available for export is. I say to the Senator that the report of the Small Business Committee was worked out with expert information and advice which shows that there is a shortage; and I say to the Senator that the problems, not only of the small-business man but of other businessmen, in regard to obtaining steel are acute now and will be more acute by the time this bill is passed.

Mr. CONNALLY. Mr. President, for that matter, they have always been acute and they always will be acute, and that will result in the production of more steel, and will keep the mines open.

Mr. BALL. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. BALL. The Senator from Texas has been telling us of the very careful screenings, through the various committees, in regard to the estimates made at Paris. I wonder if he can tell us how it happens that, whereas the CEEC report, on page 45 of volume 2, estimates their total import requirements of tobacco for the first 15 months at 242,000 tons, on the other hand in this careful screening process we come out with a recommendation, on page 22 of the committee report, for 298,000 metric tons of tobacco in the first 15 months—an increase of 56,000 tons over the estimate of total imports as made by the countries themselves at Paris.

Mr. CONNALLY. I say to the Senator that I should be glad to explain that in detail. I have the information. But the Senator from Kentucky [Mr. BARKLEY], who comes from a great tobacco-producing State, will discuss that later in his remarks. So I ask the indulgence of the Senator from Minnesota in that respect, and ask him to wait until that time.

Mr. BARKLEY. Mr. President, I am not going into the details as to how this particular amount was arrived at. I did not put it in the bill; I did not put it in the report.

But it is a fact which all of us understand that among the things that ought to be exported from the United States to the 16 countries is tobacco. The item of tobacco has been included by the State Department because it is essential that these countries have that much tobacco in working out their economy, a part of which is based on an incentive use of this commodity.

Various remarks have been made here today because tobacco is included. I should like to remind the Senate that tobacco pays into the Treasury of the United States $1,200,000,000 a year in taxes—five times as much as the amount the tobacco costs, and one-quarter of the entire expense of this bill for the first year. One quarter of the entire expense of this bill is paid into the Treasury of the United States by tobacco. I should like to have any Senator point to any other crop that pays that much money into the Treasury of the United States. However, that is not the reason why tobacco was included in this list.

All of us know that over an historic period, tobacco has been exported to Europe. I can remember when large quantities of it were shipped overseas. There were many government monopolies. The Spanish Government itself in years past bought 55,000,000 pounds of tobacco and used it as revenue, for treasury purposes. The same is true of Italy and France, and of Holland and Great Britain.

This item of tobacco is included in the allocations under the State Department's figures, although tobacco is not used any more than any other commodity is used in the bill, in order that, in the first place, these countries may have the use of this commodity for the purpose of undertaking to establish factories in Europe that will manufacture the finished products which they want and need, and of course it will incidentally absorb a part of the surplus amount of that commodity in the United States.

We must recognize the fact that these people must have their morale stimulated, and we know that since the war the use of American tobacco and American cigarettes has largely supplanted the use of other tobacco and other cigarettes and other forms of the finished product in all portions of Europe, and that is especially true of Germany and France and Italy.

Tobacco is so important there, and has become so important since the war, that it is almost a medium of exchange. There have been times when one could take a carton of cigarettes in Germany and almost buy a house and lot with it. Of course that is a slight exaggeration, but it is so important that they have this commodity that we cannot deny them the use of it, not only in order that they may stimulate the manufacture of tobacco, in Europe, into cigars and cigarettes and smoking tobacco and chewing tobacco, but also in order that their morale may be stimulated by means of their ability to get this commodity, which they need and must have, just as any American workingman needs it and wants it in his economy.

That may not be a satisfactory explanation of the figure in the report, but it is the basis of the allocation of tobacco for the people of these 16 countries.

Mr. CONNALLY. Mr. President, the State Department in its report says that the exports from the United States for 1948 and 1949 to the participating countries will probably be of about the same order of magnitude as in 1946 or 1947. They have not increased it any. They state that for the past 2 years the United States has had ample supplies of tobacco, and that imports to the participating countries from the rest of the Western Hemisphere are expected to be less than prewar, and that the Department of Agriculture estimates that the total supply of the participating countries will be lower in 1947 and 1948 than it was in the prewar period, and so forth.

Mr. BALL. Mr. President, will the Senator yield briefly?

Mr. CONNALLY. I yield briefly. However, I wish to conclude soon.

Mr. BALL. I have not yet heard, however, how the estimates in regard to the tobacco requirements of these countries have increased 56,000 tons for the first 15 months. I suspect that, quite incidentally, the fact that we have a surplus of tobacco had something to do with that.

As a user of tobacco, I can appreciate not only the tax that we pay on it, but also the fact that it is very comforting sometimes. But it seems to me that nearly 300,000 tons of tobacco is a tremendous amount of stimulant.

Mr. CONNALLY. That is a lot of tobacco; but if one likes tobacco, it is not so much. [Laughter.]

Mr. President, I always enjoy yielding to Members of the Senate for questions, but one may hunt through all the reports and find some small isolated item that is perhaps out of line, and want to know about it. He finds an item of calico, and he wants to know why we do not send two yards of calico. I cannot answer all those picayune questions. I am not prepared to do it. I do not want to take the time of the Senate tonight to review statistical matters. Senators have all the figures, because they have been hunting for them. They have been going through the record with a fine-tooth comb. We can hear one of the Senators saying, "If we can just find something that does not look exactly right, we can put over the Taft amendment, and that will save a lot of money for the Treasury. I can then go back home with the applause of a willing, if not an admiring, constituency."

Mr. President, I have more figures on tobacco. These are along a similar line, and are furnished by the Secretary of Agriculture. He details about the same levels on tobacco.

Mr. BARKLEY. Mr. President, will the Senator yield at that point for a question?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I do not want to prolong the matter with regard to tobacco, but it is an interesting fact that when the Senate was considering the interim relief bill last fall, certain agricultural commodities, such as prunes, plums, and citrus fruits, together with other varieties were taken care of and are now being shipped, or have been shipped, under that program. There is nothing extraordinary about the fact that there is an allocation in the pending measure for tobacco.

Mr. CONNALLY. Oh, no.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. CONNALLY. I will yield in a moment.

Furthermore, when the 16 countries made their estimates, western Germany was not included. Later on we included it. Of course, that raised the percentage of tobacco.

I yield to the Senator from New Jersey.

Mr. SMITH. I was going to make the point the Senator has just made. As I understand, the CEEC figures did not include western Germany.

Mr. CONNALLY. That is correct.

Mr. SMITH. The other figures did.

Mr. CONNALLY. That is correct.

Mr. SMITH. That accounts for the discrepancy.

Mr. CONNALLY. The Senator is correct. I thank him for interrupting me.

Mr. President, I shall have to hurry along. I wish to say as a member of the committee, that one of the purposes of the bill is to render temporary aid, to relieve suffering, to banish fear, to relieve them of anxiety about communistic infiltration and encroachment. The other purpose is to make it possible for the nations to regain their independence, economic as well as political, to recapture their fortunes, and to stand upon their own feet. What has the bill done in that regard? The bill provides that each of the countries shall enter into a contract with the Administrator. The contract will set forth what they obligate themselves to do. One of the obligations will be that they shall endeavor to balance the governmental budget. Another is that they shall endeavor to stabilize the currency. There are other requirements of that general character, written with a view to placing them on a sound business basis.

In addition to the individual contracts, there is a multilateral contract with all the beneficiary governments, obligating each of them jointly and severally to undertake to reach the high goals set before them, so that they may be able to stand upon their own feet.

Mr. President, suppose they do not do as they agree; suppose they are not faithful to the obligations they assume. The Administrator has authority to terminate relief. The President has authority to terminate relief in those cases. That is the penalty. We do not propose to give them money continually through the years, unless they do their part. Tonight I should like to emphasize that.

I wish every politician and statesman in the 16 countries might hear what we say. We expect the countries of Europe rigidly to live up to their obligations. We expect them to do their utmost to achieve the objectives and the aims which we have in mind. If we are willing to hand over several billions of dollars for their rehabilitation and rebuilding, they must likewise sacrifice, suffer, and stint in order to reach the goals we have set, and in order to accomplish the objectives of the pending measure.

Mr. President, the Senator from Ohio today made a most interesting speech to the effect that he wants to cut the authorization from $5,300,000,000 to $4,000,000,000. Upon what basis does the Senator from Ohio make that proposal? Is it merely upon his own estimate? Is it merely his idea of how much should be spent and how much should not be spent? Has he the support of any economist who has made estimates? Is it based upon the work of a committee of businessmen or publicists who have studied the question and made a report? Has it any foundation at all except that it is merely what the Senator from Ohio thinks about it?

I have high respect for the opinions of the Senator from Ohio. I have high respect for his ability. I am somewhat at a loss to understand how he arrived at the figure of $4,000,000,000. Was it merely by figuring it on a piece of paper? Was there any reason for it? No, Mr. President, we shall have to have more than the dictum of an eminent Senator, even of a Senator as eminent as the Senator from Ohio. I might follow the Senator in some things, but I would not want to follow him when he wanders around in the financial world, unless he furnishes me with some basis for his estimates, some clear argument justifying his proposal.

I have already briefly pointed out that the pending measure has the backing of the Harriman committee, of which it may be said that a finer group of businessmen has never been assembled in the Capitol. It also has the backing of the Krug committee, which says that the exports can be sent to foreign countries without hampering our own economy. It had the backing of the Nourse report, which went into the economic aspects of the situation. The figures have the approval of the State Department which has screened these matters, and which has had reports from all over Europe, including a report by Ambassador Lewis W. Douglas, one of the most eminent diplomats in our service, a man of large affairs, formerly a Member of the Congress, a financier, president of one of the great insurance companies, and president of McGill University. He is stationed in Europe, and has been in contact with all the nations during the negotiations and since. He approves the figure of $5,300,000,000, and he approves the bill.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. CONNALLY. Yes, indeed.

Mr. TAFT. Is the Senator aware of the fact that the Harriman committee estimate was at least $200,000,000 lower than that of the State Department, and that the State Department disregarded it?

Mr. CONNALLY. I do not know about the State Department. I know the Harriman committee made an estimate that was higher than that of the Committee on Foreign Relations.

Mr. TAFT. No; I beg the Senator's pardon.

Mr. CONNALLY. Oh, yes.

Mr. TAFT. The report of the Harriman committee is approximately $5,750,000,000. The report of the committee is now approximately $6,000,000,000.

Mr. CONNALLY. There is some confusion arising from the difference between 12 months and 15 months.

Mr. TAFT. But the testimony shows that the Harriman committee report was at least $200,000,000 less than the figure recommended by the State Department. With due respect to the Senator, the Foreign Relations Committee did not screen those figures. It accepted the State Department figures without question.

Mr. CONNALLY. Oh, no.

Mr. TAFT. The committee has not screened those figures. The committee cut the $6,000,000,000 down to $5,300,000,000 only because of the change from 15 months to 12 months. Furthermore, as the Senator is aware, the Harriman committee report on required imports into western Europe is very much less than the State Department figures. They have also had a lower figure on exports from western Europe, but their estimate of the imports required into western Europe is very substantially below the figure accepted by the committee from the State Department.

Mr. CONNALLY. I do not regard the State Department as sacred. It makes many mistakes; I know that. I have been a member of the Foreign Relations Committee for many years. I do not fall down and worship the State Department. I simply cited the fact that one of our eminent diplomats, Mr. Douglas, had been in Europe and conferred and had arrived at the same estimate.

The Senator from Ohio is completely answered when I remind him that this authorization of $5,300,000,000 is not an appropriation. It simply means that the Senate gives its consent to the Congress, if that body desires to make an appropriation within those limits. Tomorrow or next week, if this bill should pass, the Appropriations Committee could appropriate the $4,000,000,000 which the Senator from Ohio suggests, and there would be no violation of the terms of the act. All this bill does is to liberate the two Houses and permit them to appropriate any amount up to the limit of the authorization. In any year in the future, whenever the Congress or those in authority shall conclude that we are spending too much money or are proposing to spend too much money in Europe, all they have to do is to reduce the appropriation. They have the right and the power to cut off all appropriations.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CONNALLY. In a moment.

I agree with the Senator from Ohio that there is no obligation upon either branch of the Congress by reason of this authorization except for the 12-month period. The countries of Europe which are involved are supposed to take notice of our congressional and constitutional limitations. They know that no matter what the authorization may be Congress must make the appropriation each year, and that if it does not desire to appropriate a thin dime, no power on earth can compel it to do so.

I now yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Texas whether, in his opinion, there is any moral commitment extending beyond a 1-year period.

Mr. CONNALLY. Not so far as I am concerned. It might be said that by reason of debating this bill and of all the publicity which accompanies it there might be some little lingering feeling that we ought to vote for it. But we are not here to indulge in fantasies; we are here as Members of the Congress, with a perfect right to discontinue the appropriation whenever we wish to do so.

Mr. KEM. Would the Senator agree with the Senator from Michigan [Mr. VANDENBERG] that if the 16 countries of

western Europe shall perform their part of the undertaking, the Members of the Congress then will be under some moral obligation to continue to make appropriations?

Mr. CONNALLY. No. The Senator from Michigan did not say that. He said he might feel under some moral obligation. He did not say anything about Congress having such an obligation.

Mr. KEM. Does the Senator think our responsibilities would be higher——

Mr. CONNALLY. That is not for me to pass on. I should hate to pass on those things, even concerning the Senator from Missouri. I should not want to pass on his moral responsibilities. I am sure he has no immoral responsibilities.

Mr. KEM. I hope the Senator from Texas is not imputing to the Senator from Michigan any higher moral sensibilities than are possessed by the Senator from Missouri.

Mr. CONNALLY. I am sure that if the Senator's sensibilities are as high as they look, he is right along with the Senator from Michigan. But what the Senator from Michigan said was that if the countries involved should live up to the unilateral contract and the multilateral contract, on the faith that we mean this program to continue, and an appropriation should be requested for its extension for another year, he thought he would have some moral obligation to support it. That is what the Senator said.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. CONNALLY. Yes.

Mr. KEM. I should like to ask the Senator from Texas whether he agrees with the Senator from Michigan in the statement to which he has just referred.

Mr. CONNALLY. If the Senator had been listening, instead of talking to the Senator from Nevada [Mr. MALONE], he would have heard me say that I agreed with the view that we can discontinue an appropriation whenever Congress desires to do so, with no obligation of any kind on the Senate or the House.

Mr. KEM. Moral or otherwise?

Mr. CONNALLY. I said any kind. That ought to cover it.

After all, Mr. President, the Senator from Ohio is protected. But suppose Congress shall not appropriate as much money as may be needed. Then there would have to be another authorization requested, which we probably would not get if the Senator from Ohio should be here. It is all subject to the Congress, to the Administrator, to the Secretary of State, to the President. If it were revealed that we were spending more money than was necessary, it could be stopped tomorrow. If the recipients were not receiving enough, the amount could not be increased one dime without going before the Appropriations Committee, being cross-examined, and dragged around by Senators on the other side of the aisle.

Mr. President, why is this program necessary? My view is that the condition of the western nations of Europe and western Germany is a part of the aftermath of war. They were not among those that were wounded. They were not among the casualties. Their cold bodies are not sleeping out on some hillside. But the war laid its indelible marks upon them and helped to destroy their economy, their homes. Their public and private finances have been distracted. In the past few years two or three great nations have cut down their food supply to the point where there is widespread suffering. In Italy, in France, perhaps even in Great Britain. We thought it was cold here in the past 2 or 3 months because we had a little snow and a little cold wind. But that is nothing as compared with the condition of a man in a shack who has not enough to eat and not enough fuel to keep himself warm. Mr. President, is not such a man a ready victim for communism? Is he not a ready recipient of totalitarianism? Will he not listen to the persuasive voice which tells him: "Join us. We will divide up the wealth of the world. You will get something to eat; you will get some fuel."

Mr. President, that has already happened in many of the satellite countries.

So the problem involves the wreckage of war. We want to finish the war, not alone upon the battlefield, but out yonder in the economic, social, and political world.

Mr. President, I want to see the countries of western Europe so strengthened and so rebuilt that they may determine their own political future. I want them to determine it, however, free from the pressures of hunger and want and suffering. I want them to determine that future with enlighted intellects, and free wills, and with a free choice. I do not want to see them driven along as the people of Czechoslovakia were driven along, by foreign pressures.

It is said there have been no armies there. No, there have been no armies there, perhaps. Whether there were armies there or not, they had pressures on them that were as strong as armies, and there was always out yonder a little ways off a Red army, ready to strike if the occasion should come.

So, Mr. President, I want these countries to stand on their own feet and make their choice. We want to see democracy live, but democracy cannot live without something to eat, something to wear, and a fire to keep it warm. We have to give these people an opportunity to lead a normal political life.

Many of these countries were ravaged, many of them were stripped, much of their wealth and their plants and their homes were destroyed. Western Germany is particularly in that class. I want to see western Germany rehabilitated. It was once a great area. It has been very closely fitted to the economy of Europe. It is the economic heart of Europe. I want to see western Europe regain its strength and stand upon its own legs. Therefore there are included in the program all three zones, those of Great Britain, the United States, and western Germany.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHERRY. Would the Senator be in favor of an amendment providing that the Administrator agree with the participating countries as to whether or not they might halt temporarily, until the Administrator could make a survey, the further dismantling of the plants in this very section the Senator would like to see rehabilitated?

Mr. CONNALLY. We yesterday discussed the plants and their dismantling. I do not think it would be wise to amend the bill in regard to that, because the people are working there, and the only information I get is that there are only a few of the plants being dismantled, under an agreement made at Potsdam.

Mr. WHERRY. Mr. President, what I am asking is, would the Senator, as a member of the Committee on Foreign Relations, see any objection to submitting an amendment on the floor of the Senate directing the Administrator to confer with the participating countries, and entering into an agreement simply to halt the dismantling of the plants which are still there to be dismantled under the Potsdam agreement, or any subsequent agreement, until the Administrator made a survey, so that temporarily they could halt the dismantling of them, and a survey could be made by the Administrator, providing he made an agreement with the participating countries. What is wrong with that?

Mr. CONNALLY. There may not be anything wrong with it, but I do not believe this bill is the place for it. Answering the Senator's question, I should not favor putting it in the bill.

Mr. President, do we want to see western Europe destroyed? I do not. The people there are a great people, a people of high intellect, energy, courage, ability to fight if need be, they are great industrialists. It is a land which has produced great poets and writers and universities. I want to see western Europe survive.

Mr. President, would anyone here like to see Great Britain go down in ashes and in ruins? I hope she will not. Great Britain was the land that gave the world the great Magna Carta, it was the nation that gave the world parliamentary government, it was the nation which sent its immigrants to America, who founded this great country of ours.

I have been to Great Britain since the war. Great Britain was punished brutally and savagely. Those Senators who have been there could from their hotel windows see great buildings which had been torn and shattered and broken by explosions, and they know the sufferings to which the people have been put since the war. I do not want to see Britain go down in a holocaust of political or economic ruin.

Mr. President, I do not want to see Italy disintegrate and dissolve. Italy has had her misfortunes in recent years; she has had many misfortunes. For one thing, she is greatly overpopulated, and it is going to be very difficult for Italy to produce a sufficient amount of products to feed and care for and house her own people. Italy is a historic land, a land which for hundreds of years ruled the world from a little town on the Tiber, and I do not want to see Italy gathered

into the totalitarian embrace of Moscow. I do not want to see whatever liberty she has obliterated by the "Bear that walks like a man."

Mr. President, I do not want to see France go down in confusion and chaos, uncertainty and misery. France has had a glorious and great record. There were days when France left her impress upon the world, and ruled great parts of the world. She had misfortunes during World War II. She played a gallant part in that war. She struggled along, and then was occupied by a cruel enemy state, and stripped of much of her possessions.

Mr. President, we cannot abandon these countries in their time of need. I grant the action we are contemplating is the most colossal international enterprise of the kind there has been in recorded history. I think no event of this kind, probably, since the fall of the Roman Empire, has meant so much to other nations of the world, as assistance coming from this Nation for their resuscitation, for their rehabilitation, and for their relief from suffering and want.

Why should we do what is proposed? Because, Mr. President, we are the strongest nation on earth. We are the strongest nation from an economic standpoint, we are the strongest nation from a military standpoint, we are the strongest nation from a political standpoint. We have no Socialist government here. We have no enterprises which have been nationalized. We have a great democracy, with strength enough to make war when it wants to make war, and with calmness and patience enough to carry on its enterprises in time of peace, and to grow and prosper. Therefore the United States is the only nation on earth today qualified in all these respects to come to the aid and rescue of the nations of western Europe, and western Germany. So I think that destiny has laid upon us a sort of obligation, and we cannot wrap our cloak about us and say that the rest of the world is of no concern to us.

As members of a democracy, have we no concern to see that the democracies of the rest of the world survive? As lovers of freedom and liberty, have we no desire to see that those who practice freedom and liberty, like ourselves, live and survive? I want to see every democracy on earth flourish and prosper. I want to see every land survive where liberty exists, where freedom exists. I want to see such lands grow and prosper and become strong in order to maintain themselves and in order to spread the doctrines of liberty and democracy.

Mr. President, some have complained that the nations behind the iron curtain are not in the program. When the program was first envisaged they were invited to join. But their master's voice said, "You cannot join." So one after another they declined to join. If Czechoslovakia could speak from her grave tonight, she could tell us that she endeavored to join, but that her master's voice spoke and told her she could not join, and she refused to join.

Mr. President, the nations behind the iron curtain are not in the program because they refused to join. They not only refused to join, but they have become the enemies of the program.

Why is Russia fighting the program? She is fighting it because she is diametrically opposed to the things the program provides.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Does the Senator from Texas yield to the Senator from Indiana?

Mr. CONNALLY. I yield.

Mr. CAPEHART. Perhaps the able Senator from Texas can tell us why Spain is not a party to the program?

Mr. CONNALLY. Spain has not been playing along much in foreign relations lately. I do not know exactly why.

Mr. CAPEHART. Is it not a fact that the great reason for the entering into of the program is to stop communism?

Mr. CONNALLY. Well, I will be glad to speak to the Secretary of State and tell him that the Senator from Indiana wants Spain included, if he desires.

Mr. CAPEHART. I wish to say that I sometimes wonder whether some of us are as sincere as we claim to be. The one nation in Europe which has fought communism for years and years, and which has stopped communism, is Spain. We are told by the able Senator from Texas and the able Senator from Michigan and the Secretary of State, and the President of the United States that we are going into this program to stop communism. Yet the one nation in Europe that stopped communism, that has had experience in stopping communism, is not a part of the program. I appreciate that the able Senator from Texas has the right to answer other Senators sharply if he cares to.

Mr. CONNALLY. Oh, no.

Mr. CAPEHART. But I am one Senator who will not accept it.

Mr. CONNALLY. I will give the Senator the best answer I can.

Mr. CAPEHART. I was sincere in the question I asked the Senator, and I am sincere now, and I should like to have a sincere answer.

Mr. CONNALLY. The Senator will receive an answer if he will just be patient.

Mr. CAPEHART. The Senator did not give me an answer a moment ago.

Mr. CONNALLY. I know the Senator did not get an answer in full, but he did not let me give it in full.

Mr. CAPEHART. I received a sarcastic answer that I could see the Secretary of State.

Mr. CONNALLY. No; I said I would ask the Secretary, if the Senator wanted me to. I read from the committee report:

> Of all the sovereign states of Europe, Spain was the only one which was not extended an invitation to attend the Paris Conference.

That was the Paris Conference of the 16 nations. The United States was not included. It was the conference held by the 16 proposed to be recipient nations. They did not invite Spain. Now why did they not invite Spain? I continue to read:

> From an economic point of view Spain might be able to make a contribution to such a program. On the other hand, due to the nature of the Franco regime and due to the resolution adopted at various international conferences, the CEEC countries—

Not us, but the 16 countries—

> the CEEC countries at the Paris Conference did not believe it appropriate or consistent with the spirit of such resolutions to invite Spain to participate at that time. Whether she eventually takes part in the program will depend upon her own willingness to assume the obligations involved, the willingness of the participating countries to admit her, and the ability of Spain to conclude a satisfactory bilateral agreement with the United States.

I think that answers the Senator.

Mr. CAPEHART. Are we willing that Spain become a party to the agreement?

Mr. CONNALLY. The answer is that she might. So far as I am concerned I would be glad if she would come in. We are going to have Portugal in the program.

Mr. CAPEHART. So far as the able Senator from Texas is concerned, he would be happy to have Spain come in?

Mr. CONNALLY. Well if she will agree to the contracts, made with all the participating governments, and undertake to live up to the multilateral agreements and cooperate and contribute, which she is able to do, to help the other nations of western Europe—why come on. I am willing.

Mr. CAPEHART. Why did the other nations refuse to permit her to become a party?

Mr. CONNALLY. I read the reason to the Senator from the report. There were certain resolutions adopted in the United Nations' General Assembly which reflected on Spain somewhat. Many of the nations took a position with respect to her. The United States was not one of them. I voted for the inclusion of Spain.

Mr. CAPEHART. I appreciate that. Spain is not a party to the United Nations.

Mr. CONNALLY. That is true.

Mr. CAPEHART. And yet Spain has been fighting communism for many years. We are now fighting communism. We are helping France, Italy, and other nations to fight communism.

Mr. CONNALLY. We are resisting communism, rather than fighting it.

Mr. CAPEHART. I am not so certain that we are doing it either; but then that is a matter of personal opinion.

Mr. CONNALLY. I thank the Senator.

Mr. President, I want to conclude. I do not want to be discourteous and fail to yield, but I hope I can finish what I wish to say, because I understand there is anxiety that a vote be taken tonight on the pending amendment.

I believe adoption of the program will have a great deal to do with stabilizing Europe. If the countries involved be-

come independent economically and politically, they will have freedom in expressing their views, and greater freedom in international relations among the other nations of the world. I want these nations to be in position where their self-respect will be preserved, so they will feel like they are on their own and can make their contributions to international life. They cannot do it with hunger and misery sweeping over their lands.

Mr. President, as I pointed out awhile ago, the plan has been screened down from time to time until tonight it provides only $5,300,000,000 for the first 12 months. After that time it will be up to the Congress as to whether it wants to appropriate another dollar or whether it wants to discontinue the program entirely.

We have had hearings before the Foreign Relations Committee from the 8th of January to the 5th of February, nearly 30 days, practically every day. We have heard witnesses from all classes of people who came before us explaining the problem, and giving us their views on the economics of the United States. We had the reports of the Harriman committee, the Krug committee, and the Nourse committee. The Secretary of the Treasury came before us, as did the Secretary of Agriculture and the Secretary of Defense. Representatives of the World Bank came before us.

The Senator from Ohio made some point about the World Bank. The World Bank estimated the amount needed to be slightly larger than the committee allowed. The World Bank estimated the amount to be $7,000,000,000. The World Bank said that would be a safe figure without disrupting or injuring the economy of the United States.

Mr. President, I feel that to cut this amount to the point suggested by the Senator from Ohio would be a distinct discouragement to the European nations. Propagandists would say, "Oh, yes, the United States is not sincere. It has already cut your appropriation below the figures contained in the bill." It would be a tremendous discouragement to the nations of western Europe and to the people of western Germany who want to comply with the program and are looking to it with eyes of hope and expectation.

It would not only discourage them but it would encourage those who are fighting the plan. It would start up again the propaganda machines to discourage the plan and to berate and denounce and abuse the United States for not keeping faith with the 16 nations of Europe. Do not doubt but that it would be done. The enemies of the plan would placard our action all over Europe. The radio would ring with their frenzied utterances, pointing out that the United States has fooled the European countries and did not undertake to keep the faith.

Mr. President, I believe that democracy is at stake. The lines of communism and totalitarianism are advancing all over Europe. They will advance into the western part of Europe. They will spread through Italy, and they will spread to every other country where it is felt that those obnoxious doctrines can find support or nourishment. We want to stop it. The methods are the methods of Hitler, except that they are not accomplished with arms. Hitler took over Austria with the anschluss. He took over Czechoslovakia without firing a shot. He took over other nations by pressure, by overwhelming them with his minions, taking them into the embrace of the system of totalitarianism and tyranny. Unless something is done for these countries they may be absorbed into the great empire of totalitarianism.

In conclusion, let me say that the world is in a great crisis. In a world crisis the United States must play its own part. It must play a noble part. It must play an outstanding part. The United States occupies a leading place among the democracies of the world. It leads in the economic and financial world. It stands out in the military world as the greatest power in the world. We must not—we dare not—refuse to assume the obligations which go with those mighty positions of power.

The United States cannot afford to be false to its ideals and purposes. We cannot be false to the men who died on battlefields to maintain our liberties and our prestige. We cannot forsake the great historic personages of the past. We must not fail the world. The world looks upon us as the greatest power in the world. It has faith in us. It knows that we do not want to conquer other lands. It knows that we do not want reparations and indemnities. We must not fail the world; and these nations are an important part of the world to us. We must not fail them.

Of course, as pointed out by the Senator from Ohio, we must remain armed. I believe that the safety and security of the United States require that we maintain a great Army, a great Air Force, and a great Navy, in order that the people of the United States may be secure in their liberties and in their property and institutions. Of course we all favor that. However, that does not answer the question.

The big question in this whole program is the desire of the United States for world peace. Since World War I, public men of the United States—not all of them, but many of them—have been striving to bring about machinery for the establishment of world peace. I recall that before the war, and before the San Francisco Conference the able chairman of the Foreign Relations Committee [Mr. VANDENBERG] and I, together with other members of the Foreign Relations Committee, were striving, planning, and laboring, in conferences in the Department of State and among ourselves, to bring about a plan for world peace, the settlement of international disputes, and the protection of nations from aggression and invasion, so that they might enjoy the fruits of their labors. Finally, after several years of consideration of such plans in the State Department and elsewhere in Washington, we were sent to San Francisco to consider the United Nations.

The United Nations was not all that we wished. We wanted peace, and we sought to bring about an instrument of peace. After many weeks of labors we brought back to this Chamber the United Nations Charter. By an almost unanimous vote the Senate honored those who drew it and those who supported it.

Since that time there have been many international conferences. In all those conferences it has been our ambition and purpose to contribute to the peace of the world. To my mind that is the dominant thing upon which we are voting tonight. We are voting upon the peace of the world. If the nations of western Europe can regain their independence, their stability, and their economic powers, peace in Europe will be much more secure than it is now, with threats and dangers coming out of the East which may overwhelm or submerge the democracies and the freedom-loving peoples of the western part of Europe.

So tonight my appeal is, Let us contribute to the peace of the world. Let us not be content with the provisions in this bill, but let us fill it with the spirit of peace and security for those peoples who believe in democracy, who are devoted to liberty and freedom, and who will join the United States in working out, together and bilaterally, the plans which we have in mind for the rehabilitation of Europe, which will save its people from chaos, misery, and ruin, and reestablish in those fair lands a standard of equality and independence, making them vital nations in the world in the future development of our historic policies and precepts. [Applause.]

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with the reference to the report of the Small Business Committee, pages H-16, H-17, and H-18 from the Commodity Report on the European Recovery Program, from the Committee of the Executive Branch, having to do with the production of steel.

Mr. CONNALLY. I shall not object to the insertion in the RECORD, but I do not want the matter to come right in the middle of my address. If the Senator has it inserted at the end of my remarks, that is all right.

Mr. WHERRY. It is perfectly agreeable to me to have it placed wherever the Senator would like to have it, so far as the position in the colloquy is concerned, but I should like to have it in connection with the report of the Small Business Committee, which was a matter of debate, if the Senator will permit.

Mr. CONNALLY. That is very difficult, because there was a running-fire debate, and the Senator now comes in with three pages to have inserted in the middle of the debate, and no one would know what the debate was about.

Mr. WHERRY. It will be all right to have it printed following the remarks of the Senator.

Mr. CONNALLY. To be inserted at the end of my address?

Mr. WHERRY. Yes.

The PRESIDING OFFICER. Without objection, the matter presented by the Senator from Nebraska will be printed at the end of the address of the Senator from Texas.

The matter is as follows:

COMMUNITY REPORT, EUROPEAN RECOVERY PROGRAM

CHAPTER H. IRON AND STEEL, INCLUDING STEEL-MAKING EQUIPMENT

(This report is the result of the first phase of analysis of the European recovery program and may be subject to revision.)

I. Introductory and summary

This report attempts to summarize and to appraise the proposals advanced in the CEEC technical report on iron and steel. Data shown in this report relate to calendar years 1948–51. In certain other documents, similar United States estimates have been adjusted to cover the fiscal years, 1948–52. This shift in time periods does not result in important changes since steel production is not significantly affected by seasonal variation.[1]

The main outlines of the CEEC report may be briefly stated. It forecasts large increases in steel production by participating countries in 1948 and more modest increases thereafter. For the first year of the program, the projected increases for the 16 countries are to be accomplished largely through the maximum utilization of existing iron and steel-making capacity. Thereafter gains in output are scheduled on the basis of the realization of projected plant expansion programs. Over the period of the program, iron and steel production equipment valued at slightly over $400,000,000 would be secured from the United States. In addition, imports of over 2,000,000 metric tons of crude and semi-finished steel are called for annually, as well as large quantities of scrap. Besides these requirements stated in the CEEC report, imports from the United States of finished steel are projected at levels declining from 1,100,000 to 25,000 tons. The quantities of steel thus available to the participating countries as a group would permit both large increases in domestic consumption and the resumption of a substantial part of the participants' former export trade in iron and steel.

The expected increase in domestic steel consumption in the 16 countries is predicted on the existence of an enormous demand for steel for reconstruction and on the necessity of replacing Germany, in considerable measure, as an exporter of machinery, equipment, and other products fabricated of steel. Finally, the export program in steel is regarded by the CEEC as a vital means of reestablishing international market positions which, for the long-run future, are expected to be a vital source of substantial quantities of foreign exchange.

In reviewing the iron and steel requirements of the participating countries in the light of probable availabilities, representatives of the United States agencies concluded that (1) the United States will not be able to export scrap and will be able to export only 20 percent of the amounts of crude and semi-finished steel (excluding hot-rolled strip in coils which is classed as a semi-finished product in the CEEC report) required by the participating countries, (2) that the United States might increase its exports of finished steel above the amounts proposed in the CEEC report in order to overcome in part the unsatisfied requirements for scrap and crude and semi-finished steel, and (3) that in 1948 the participating countries, owing to shortages of materials and transport, will probably not be able to reach their production targets for that year.

Both the consumption estimates and the trade pattern advanced in this report follow from these conclusions. It is expected that the participating countries will reduce exports both to other participants and to the rest of the world, and at the same time sustain total imports of finished steel, thereby partly protecting consumption in the first 2 years from the effects of the anticipated lower home production. The chief impact of the probable reductions in imports of scrap and of crude and semifinished steel from the United States falls on the United Kingdom and Italy, which together seek the bulk of these imports.

The United States estimates of consumption of finished steel are more than 4,000,000 tons under the CEEC estimates for the first year of the program and about 2,000,000 tons under those for the second year. Thereafter, the United States estimates conform to those given in the CEEC report.

It was not possible to make an independent judgment of the ability of individual participating countries to consume the quantities of steel each projected, or of their need for these quantities. It seems clear, however, that a failure to meet CEEC estimates by 13 percent in the first year and about 5 percent in the second year should not seriously affect the recovery program in the over-all. Rough calculations suggest that the steel requirements in basic industries studied by CEEC technical committees will take 40 to 50 percent of anticipated total steel consumption. It should be possible, therefore, to direct the main impact of reduced supplies toward other, less vital domestic programs and, possibly, to a limited extent toward a reduction in exports.

The CEEC steel-plant-expansion program calls for the provision of slightly more than $400,000,000 worth of equipment of various types from the United States or about 45 percent of total requirements for new iron and steel production equipment. Of this quantity between $60,000,000 and $80,000,000 is already on order. While data are lacking with which to appraise with any precision the requirements for new plant facilities, the United States agencies are of the opinion that a substantial portion of equipment requirement might be supplied out of German reparations. When the equipment requirements are reviewed in detail, and when account is taken of availabilities from German reparations, it is doubtful whether total equipment requirements from the United States will exceed half the CEEC figure.

The shortage of scrap, which the CEEC indicates will adversely affect steel production in the United Kingdom and Italy, could be materially alleviated by intensified efforts in the collection of this material throughout western Europe, especially in Germany. The collection of scrap has not been given high-priority status in bizonal economic programs up to this time. Such priority might well yield substantial quantities of this material above present schedules.

An attempt was made to estimate the total drain on United States steel supplies entailed by the United States estimates for exports from this country of steel as such and of steel in selected basic fabricated items. The results, while rough, indicate a total drain of about 4,000,000 tons a year in steel ingot equivalent. However, in terms of metallics, considerably less would flow to Europe since the scrap generated both within the steel industry and in fabricating industries would remain in the United States. The figure of 4,000,000 tons just advanced is, therefore, essentially only a measure of the extent to which crude-steel capacity in the United States might be utilized to satisfy European recovery needs.

It is also suggested that after the recovery program is put into operation, the Economic Cooperation Administration should obtain assurances that the prewar European steel cartel or other restrictive practices affecting production and trade will not be employed.

II. The European home-supply position

A. The Production Program

Tables 1 and 2 compare the United States estimates of production for each country with the CEEC estimates and with actual figures for prewar years. Discrepancies between CEEC and United States estimates arise mainly from differences in the timing of schedules of production, particularly for 1948, when the 16 participating countries aim at achieving a maximum utilization of existing capacities.

As may be seen from table 1, production of steel ingots in western Europe, including western Germany, is placed by CEEC at 42.3 million metric tons in 1948, as compared with an estimated production of 30,300,000 tons in 1947, or an increase of 40 percent. If the United Kingdom, which aims at a relatively modest increase of 10 percent, is omitted from the computations, the percentage increase for the other countries, including western Germany, is 60 percent. The United States estimate for 1948 is approximately 36,800,000 tons, an increase of 20 percent over 1947. For the later years, the United States estimates approach more closely those advanced by the CEEC.

In arriving at the estimated output of crude steel, the United States agencies gave attention to the tight supply of metallics and to shortages in coke and steel capacities. All these adverse factors will be felt most acutely in 1948. Scrap shortages in the United Kingdom and Italy are particularly pronounced. Since, according to the CEEC, these shortages cannot be made up from western European supplies, and since the scheduled imports from the United States will probably not be available, estimates of crude output in these two countries have been cut considerably. The United States agencies assumed that coke supplies in 1948 will not be entirely adequate to allow the scheduled increases in steel output, especially in France and Belgium-Luxemburg. However, should all the needed coke in 1948 become available, it is felt that other bottlenecks such as transportation, manpower, and organizational difficulties would not permit the output scheduled for western Europe by CEEC. This conclusion is especially applicable to France, Belgium-Luxemburg, Italy, and Austria.

Estimates of finished steel production for each country were based upon its consumption of crude steel by applying the same ratios used by CEEC. (See table 2.) For most countries, revised estimates of finished steel output fall below the CEEC estimates in approximate proportion to the reduction in estimated output of ingots. Since the CEEC estimates of finished-steel output for the United Kingdom and Italy assumed large imports of crude and semifinished steel, and since only a small portion of the imports expected from the United States have been allowed, the estimates of finished-steel output in these two countries are reduced by a higher proportion than were their crude-steel production estimates.

[1] For the most part, participating countries are dealt with as a group and, wherever appropriate, data are presented both to include and to exclude western Germany. The term "participating countries" means the 16 CEEC countries and western Germany and the CEEC countries means the participating countries, excluding western Germany.

TABLE 1.—*Production of crude steel by participating countries in past years and in 1948 to 1951 as estimated by CEEC and by United States agencies*

[In thousand metric tons]

Country	Most active prewar year [1]		1938	1947	1948		1949		1950		1951	
					CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate
Austria	(1929)	632	666	400	600	500	720	600	720	720	1,000	1,000
Belgium	(1929)	4,275	2,324	2,815	4,250	3,565	4,250	3,900	4,850	4,300	4,850	4,300
Denmark	(1939)	6	6	30	35	35	45	45	55	55	70	70
France	(1929)	9,711	6,221	5,812	10,400	7,300	10,890	8,700	11,700	10,000	12,690	11,000
Greece	(1938)	20	20	10	20	20	20	20	120	50	220	100
Ireland	(1938)	------	--------	2	9	9	15	15	22	22	30	30
Italy	(1938)	2,328	2,328	1,600	2,500	2,000	2,670	2,350	2,830	2,600	3,000	2,800
Luxemburg	(1929)	2,696	1,436	1,800	3,000	2,250	3,000	2,700	3,000	2,700	3,000	2,700
Netherlands	(1937)	39	57	207	303	300	393	390	473	470	503	505
Norway	(2)	63	65	57	67	67	72	72	92	90	92	90
Sweden	(1938)	995	995	1,195	1,300	1,300	1,500	1,500	1,760	1,760	2,060	2,060
Switzerland	(1938)	5	5	57	80	80	80	80	80	80	80	80
Turkey	(1939)	------	--------	82	80	80	85	80	90	80	90	80
United Kingdom	(1937)	13,192	10,564	12,700	13,970	13,080	14,200	13,900	14,480	14,480	14,990	15,000
Total, 16 countries	------	33,962	24,687	26,767	36,614	30,586	37,940	34,352	40,272	37,407	42,675	39,815
Bizone	(1938)	17,820	17,820	2,750	4,075	4,477	5,500	6,259	7,500	8,525	10,000	10,000
French zone	(1938)	424	424	60	100	100	150	150	150	150	150	150
Saar	(1938)	2,538	2,538	752	1,550	1,600	2,538	2,500	2,538	2,500	2,538	2,500
Total, 17 countries	------	54,744	45,469	30,329	42,339	36,763	46,128	43,261	50,460	48,582	55,363	52,465

[1] As selected by each country to show greatest representative prewar activity. In most cases a single year was used throughout the questionnaire so that in some instances the figure given under this heading may be less than the figure for 1938.
[2] Not available.

TABLE 2.—*Production of finished steel by participating countries in past years and by 1948–51 as estimated by CEEC and by United States agencies*

[In thousand metric tons]

Country	Most active prewar year [1]		1938	1947	1948		1949		1950		1951	
					CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate	CEEC estimate	United States estimate
Austria	(1929)	427	467	286	380	316	432	361	432	432	650	650
Belgium	(1929)	3,268	1,805	2,446	3,650	3,083	3,650	3,353	4,123	3,673	4,123	3,673
Denmark	(1939)	6	6	91	[2] −40	35	[2] −30	45	55	55	70	70
France	(1929)	6,589	4,115	4,090	7,500	5,279	7,810	6,260	8,350	7,128	8,960	7,782
Greece	(1938)	15	15	8	15	15	15	15	90	37	165	75
Ireland	(1938)	3	3	2	9	9	15	15	22	22	30	30
Italy	(1938)	1,748	1,748	1,360	2,450	1,845	2,740	2,310	2,990	2,524	3,280	2,729
Luxemburg	(1929)	1,910	1,026	1,266	2,230	1,680	2,230	2,005	2,354	2,115	2,354	2,115
Netherlands	(1937)	10	154	130	200	200	300	300	350	350	400	400
Norway	(3)	92	82	66	97	97	101	101	120	120	120	120
Sweden	(1938)	687	687	845	950	950	1,150	1,150	1,280	1,280	1,500	1,500
Switzerland	(1938)	55	55	95	95	95	95	95	95	95	95	95
Turkey	(1939)	------	--------	57	60	60	65	60	68	60	68	60
United Kingdom	(1937)	10,373	8,216	10,300	11,980	10,377	12,065	10,905	12,265	11,306	12,410	11,638
Total; 16 countries	------	25,183	18,379	21,042	29,576	24,041	30,638	26,975	32,594	29,197	34,225	30,937
Bizone	(1938)	13,360	13,360	2,062	3,056	3,256	4,125	4,525	5,625	6,225	7,500	7,500
French zone	(1938)	411	411	70	170	170	275	275	275	275	275	275
Saar	(1938)	1,952	1,952	504	1,179	1,179	1,889	1,889	1,889	1,889	1,889	1,889
Total; 17 countries	------	40,906	34,102	23,678	33,981	28,646	36,927	33,664	40,383	37,586	43,889	40,601

[1] As selected by each country to show greatest representative prewar activity. In most cases a single year was used throughout the questionnaire so that in some instances the figure given under this heading may be less than the figure for 1938.
[2] Transfers to stocks expected to exceed production. In revising production estimates, the United States agencies made no allowance for such transfers to stocks.
[3] Year not available.

B. Western European Steel Expansion Programs

The major western European steel-producing countries other than Belgium and Luxemburg, as well as several of the smaller producers, are planning expansion of their iron and steel capacities. The greater part of this new capacity is not expected to come into operation until 1950 or 1951, at the earliest.

The planned net expansion in iron and steel capacity by 1951 is shown below:

[In thousand metric tons]

	Ore mining	Pig iron	Crude steel	Steel finishing
Austria	1,400	550	750	456
Denmark	--------	--------	40	40
France	--------	1,700	2,000	1,500
Greece	340	150	200	150
Ireland	--------	--------	78	--------
Italy	--------	915	680	100
Luxemburg	--------	--------	--------	124
Netherlands	--------	150	195	190
Norway	--------	--------	29	27
Sweden	--------	400	700	500
Switzerland	--------	--------	--------	10
Turkey	350	--------	240	190
United Kingdom	1,524	1,524	1,677	1,271
Total	3,614	5,389	6,589	4,558

The total cost of the expansion and modernization programs planned by the participating countries is estimated at $2,200,000,000, as shown in table 3. Not more than 40 percent of this total cost represents iron and steel production equipment itself. Of equipment requirements, about $550,000,000 will be met by imports, with about $400,000,000 expected to come from the United States (see tables 4 and 5). Thus, planned imports from the United States constitute about 45 percent of total equipment requirements. Orders have already been placed in this country for facilities valued at $60,000,000 to $80,000,000.

The possibility of meeting a portion of requirements from German reparations was discounted in the Paris report. It is the opinion of the United States agencies that this source of production facilities should be fully utilized. A more detailed discussion of this subject is to be found in Appendix 3 of this report.

The requirements for steel-plant machinery and equipment set forth in the CEEC report can be evaluated only as a part of the broader steel production, consumption, import, and export programs which the report advances. It is clear, for example, that the requirement of the United Kingdom for two continuous strip mills is not unrelated to

that country's requirement for imports of approximately 2,000,000 tons of crude and semifinished steel annually.

Even should the very optimistic CEEC steel-ingot production expectations be realized, the finishing capacity of the CEEC countries, particularly that of the United Kingdom and Italy, would still not be fully employed—a fact which is pointed out by CEEC itself.[2] Thus it is clear that under the more realistic, and lower, production figures advanced by the United States agencies, and with United States exports of crude and semifinished steel scheduled at a relatively low percentage of the CEEC requirement, the steel-finishing capacity of the CEEC countries will be employed at an even lower rate.

Under these circumstances, it is obvious that the requirements for steel-plant equipment should be revised as to type, scale, and timing. In the absence of more detailed information, it has not been possible to develop a revised program on steel-equipment needs. Such revisions may be important for some of the smaller producers, such as Greece and Turkey, as well as for the larger producers. When account is taken of the possibility of greater utilization of German equipment and more complete employment of existing finishing equipment in the CEEC countries, it is doubtful whether total equipment requirements from the United States would exceed half the CEEC figure of $400,000,000.

TABLE 3.—*Value of imports of iron and steel for modernization and expansion of iron and steel industry in participating countries over period 1948–51*

[In thousand dollars]

Country	Ore mining	Pig-iron production	Crude-steel production	Steel finishing	Other or unspecified	Total
Austria	$25,000	$48,000	$16,050	$63,170	$6,800	$115,820
Belgium	(1)	(1)	(1)	(1)	(1)	182,500
Denmark			3,300	700	400	[2] 4,400
France	(1)	(1)	(1)	(1)	(1)	1,000,000
Greece	6,000	28,000	7,000	15,000		[2] 56,000
Iceland						
Ireland	(1)	(1)	(1)	(1)	(1)	[2] 2,500
Italy	(1)	(1)	(1)	(1)	(1)	[2] 20,000
Luxemburg	(1)	(1)	(1)	(1)	(1)	118,000
Netherlands	(1)	(1)	(1)	(1)	(1)	[2] 43,000
Norway	10,000		300	1,300		[2] 11,600
Portugal						
Sweden						
Switzerland						
Turkey	4,300	6,600	5,500	19,000		[2] 35,400
United Kingdom	(1)	(1)	(1)	(1)	(1)	600,000
Subtotal	(1)	(1)	(1)	(1)	(1)	[3] 2,189,220
Western Germany:						
Bizone						
French zone						
Saar		10,900	11,400	13,700		[2] 36,000
Total	(1)	(1)	(1)	(1)	(1)	[3] 2,225,220

[1] Not available.

[2] Represents only cost of new equipment and modernization, as shown in table 4. For all other countries the figures shown include all other costs related to the programs, such as the costs of preparing plant sites and installing equipment.

[3] It is estimated that equipment costs represent about 40 percent of this total.

NOTE.—This material, in the form here shown, was submitted to the United States agencies by the CEEC technical advisers in the course of the Washington conversations, Oct. 31, 1947.

TABLE 4.—*Value of imports of iron and steel production equipment required by participating countries from all sources over period 1948–51*

[In thousand dollars]

Country	Ore mining	Pig-iron production	Crude-steel production	Steel finishing	Other or unspecified	Total
Austria	$5,267	$2,640	$4,970	$36,000	$2,150	$51,027
Belgium	(1)	(1)	(1)	(1)	(1)	55,000
Denmark			3,300	700	400	4,400
France	13,500	1,000	3,200	77,000		94,700
Greece	6,000	28,000	7,000	15,000		56,000
Iceland						
Ireland	(1)	(1)	(1)	(1)	(1)	2,500
Italy	(1)	(1)	(1)	(1)	(1)	20,000
Luxemburg	(1)	(1)	(1)	(1)	(1)	79,550
Netherlands	(1)	(1)	(1)	(1)	(1)	43,000
Norway	10,000		300	1,300		11,600
Portugal						
Sweden	(1)	(1)	(1)	(1)	(1)	(1)
Switzerland						
Turkey	4,300	6,600	5,500	19,000		35,400
United Kingdom				60,000		60,000
Subtotal	(1)	(1)	(1)	(1)	(1)	513,177
Western Germany:						
Bizone						
French zone						
Saar		10,900	11,400	13,700		36,000
Total	(1)	(1)	(1)	(1)	(1)	549,177

[1] Not available.

NOTE.—This material, in the form here shown, was submitted to the United States agencies by the CEEC technical advisers in the course of the Washington conversations, Oct. 31, 1947.

III. Availabilities from the United States

For the year 1947, production of steel ingots in the United States will be approximately 84,000,000 net tons. This is approximately 7,000,000 tons below the annual capacity of the industry. It is, however, the highest peacetime rate ever achieved, exceeding 1941 by approximately 12,000,000 tons.

In spite of this high rate of production, the United States is suffering a severe steel shortage. There are many steel-consuming industries which are operating much below their capacity. Perhaps the best example of this is the automobile industry, which has capacity to produce in excess of 6,000,000 passenger vehicles per year yet, in face of a record demand, is producing at the rate of only 4,000,000 vehicles per year.

The demand for steel from virtually all industries exceeds the supply going to those industries. Though this is particularly true of the light-sheet-using industries, it is also true of many others. The oil and gas industry is facing a severe shortage of large diameter pipe for long-distance pipe lines and smaller pipe and casing for drilling and refining use. Numerous examples can be cited from other industries, such as railroads and construction. Some of the obvious conse-

[2] Committee on European Economic Cooperation, General Report, vol. I, p. 96.

TABLE 5.—*Value of imports of iron- and steel-production equipment required by participating countries from the United States over period 1948–51*

[In thousand dollars]

	Ore mining	Pig-iron production	Crude-steel production	Steel finishing	Others or unspecified	Total	Blooming mill	Mechanized sheet mill	Bar and rod mill	Sheet mill	Modernization of plant	Hot mill continuous strip mill	Rolling mill	S. Martin furnace	Plate mill	Broad flange beam mill	Finishing mill	Open-hearth steel plant	Transport facilities	Miscellaneous	Iron-ore mining equipment
Austria			11,000	40,000		51,000	11,000			40,000											
Belgium				55,000		55,000															
Denmark			33,000	700		4,000							700	2,700	600						
France			3,000	77,000		80,000	3,000					55,000	22,000								
Greece	6,000	28,000	7,000	15,000		56,000															
Iceland																					
Ireland				1,500		1,500	1,500														
Italy			18,000			18,000															
Luxemburg	(1)	(1)	(1)	(1)	(1)	18,000															
Netherlands	(1)	(1)	5,000	10,000	20,000	35,000	5,000				16,000						10,000	1,000	3,000		
Norway	8,500	(1)	(1)	(1)	1,360	9,860														8,500	
Portugal																					
Sweden	(1)	(1)	(1)	(1)	(1)	(1)															
Switzerland																					
Turkey	4,300	1,800		10,000		16,100	2,500	2,200	4,300											1,000	4,300
United Kingdom				60,000		60,000			1,000			34,000			9,000	6,000				10,000	
Subtotal	(1)	(1)	(1)	(1)	(1)	404,460															
WESTERN GERMANY																					
Bizone																					
French zone																					
Saar																					
Total	(1)	(1)	(1)	(1)	(1)	404,460															

[1] Not available.

NOTE.—This material, in the form here shown, was submitted to the United States agencies by the CEEC technical advisers in the course of the Washington conversations.

quences of the steel shortage in the United States can be seen in the very high level of steel prices as well as the considerable black-market trade in steel.

Although steel of virtually all types, with the exception of high-priced alloy steels, is in short supply, some products are scarcer than others. Sheets, strip, tinplate, and pipe and tubes appear to be the tightest items. Additional capacity for rolling sheets is now being constructed and some of this will actually be in operation within 6 months. However, to the extent that more ingots are allocated to sheet mills, there will be correspondingly less for other products, so that the shortage will be shifted to different products rather than being eased generally.

The raw-material situation in steel is one of the reasons for a steel production 7,000,000 tons below capacity. The raw material in tightest supply is scrap steel. As a result of the inability to obtain more scrap, the pig-scrap ratio is almost 15 percent higher on the pig side than the normal prewar rate. The price of scrap is now at its all-time high of approximately $40 per ton. There is little prospect for improvement in the scrap-supply position.

In view of the steel supply situation in the United States, the CEEC requirements for imports of scrap, crude, and semifinished steel from the United States should be considerably reduced. No imports of scrap from the United States are scheduled by the United States agencies because of the almost ton-for-ton reduction in basic-steel production which this would entail; also, because any large-scale foreign bidding for scrap in the United States would have serious repercussions on the volatile domestic scrap price which, in turn, would boost the whole structure of steel costs and prices. Much the same reasoning led to the reduction of the import requirements for crude and semifinished steel (exclusive of hot rolled strip) to approximately one-fifth of the CEEC requirements. Shipments of such materials from this country lead not only to a reduced output of finished steel, but also deprive the American steel industry of the scrap generated in further finishing of these materials, approximately 15 percent of total weight, and thus indirectly further limit domestic production.

For the first year of the program, the United States agencies allow the participating countries greater-than-current imports of sheets, though less than the amounts requested, and the full quantity of tin plate requested. Imports of all other finished steel are scheduled for the first year at the current rate, or at about two and a half times the level requested. This increase over the CEEC total will make up for part of the expected deficiency in European production as compared to CEEC expectations. Under a policy of

TABLE 6.—*Imports of iron and steel products from the United States in 1947 and in 1948–51*[1] *as scheduled for participating countries by CEEC and by United States agencies*

[Quantities in thousand metric tons, actual weight]

Product	Estimated 1947	1948		1949		1950		1951	
		Scheduled by CEEC	Scheduled by United States agencies	Scheduled by CEEC	Scheduled by United States agencies	Scheduled by CEEC	Scheduled by United States agencies	Scheduled by CEEC	Scheduled by United States agencies
I. Total weight:									
Crude and semifinished steel[2]									
Excluding hot-rolled strip	340	1,770	400	1,820	400	1,980	400	1,970	400
Hot-rolled strip	(3)	270	250	270	250	270	250	200	200
Finished steel:[4]									
Sheet	160	385	215	180	180	31	31		
Tin plate	112	291	290	285	285	269	269	250	250
Other finished steel	1,150	449	1,150	(5)	1,235	(5)	1,330	(5)	902
Total finished steel	1,422	1,125	1,655	465	1,700	400	1,630	250	1,152
Scrap	6	1,399		1,753		2,091		2,231	
Pig iron	34	182	35	68	35				
Ferromanganese	(5)	55		68		78		83	
II. Total dollar value (millions)	(6)	$341	$227	$281	$229	$275	$210	$268	$164

[1] In final outline of the European recovery program, the imports scheduled by the United States agencies will relate to the fiscal years 1949–52.
[2] If measured in ingot equivalents these weights would be approximately 15 percent higher.
[3] Included in export total for sheet.
[4] Excludes for 1948–51 finished steel for use directly in coal mining and scheduled separately in that program. For the entire period this item amounts to 52,000 tons.
[5] Negligible.
[6] Not available.

allowing western Europe the steel needed to meet stated consumption requirements, within the limits of United States availabilities, imports of finished steel for the other 3 years of the program are also scheduled in excess of the amounts requested.

The United States agencies schedule of imports by participating countries from the United States is compared in table 6 to the import requirements from the United States as stated by CEEC.

IV. Foreign trade of participating countries in finished steel

A. European Trade in Finished Steel, 1937

It was decided to compare, for the participating countries as a group, prewar and projected relationships among production, exports, imports, the net export balance, and consumption of finished steel.[3] For this purpose, 1937 was selected as the prewar base, both because it was the most recent year for which detailed information was readily obtainable and because it did not appear to be severely abnormal for the purpose of this analysis. The year 1938, for example, would not be suitable quite apart from the fact that complete data are not available for that year. Though production for 1938 in the participating countries was about equal to 1937, exports were almost 4,000,000 tons less, due largely to the augmented demands of domestic armament industries. While the prewar comparison is, therefore, carried through on the basis of 1937, a few of the corresponding items which are readily available for 1938 are also shown in tables 7 and 8.

Historically, western Europe has been the net supplier of finished steel to the rest of the world. While there has always been some importation of finished steel by western European countries from outside of Europe, this has typically been a very small flow in comparison to the flow of finished steel in the reverse direction. In 1937 the 17 countries exported about 31 percent of their total production. Of this quantity (10,600,000 metric tons), three-fifths went to the present nonparticipating countries (6,400,000 tons), whereas imports by the 17 participating countries from the nonparticipating countries were only 700,000. This left an export balance of 5,600,000 tons which the 17 countries as a group contributed to the world market. (See table 7.) When only the 16 countries are considered, this net contribution becomes about 4,000,000 tons. (See table 8.)

At the same time the 17 countries were exchanging approximately 4,000,000 tons in trade among themselves. This represented approximately 12 percent of their total production of finished steel. The net export balance for the 17 countries represented approximately 16 percent of production. When total production is increased by imports from and diminished by exports to nonparticipating countries, it appears that net consumption of finished steel by the 17 countries in 1937 amounted to about 29,000,000 tons.

B. Effect of United States Revisions Upon Trade Patterns in CEEC Report

The United States revision of the trade pattern visualized in the CEEC proposals was made primarily in terms of three factors: a reappraisal and substantial downward revision of European production probabilities; a substantial decrease in the amount of crude steel available from the United States; and a substantial increase in the quantity of finished steel assumed to be available from the United States. The trade pattern which appears in the revised program is an indirect result of these major changes rather than a direct revision of the trade pattern itself.

Exports were revised downward, country by country, in accordance with lowered estimates of production. The proportionate division of shipments to participating and nonparticipating countries was retained. The revision of total imports reflects both the reduction in Europe's total exports to itself and the increase in United States exports of finished steel to Europe. The net result of these adjustments is a sharp increase, over the CEEC figure, in imports of finished steel from nonparticipating countries and, after the first year, a slight increase in total imports. The total effect of the committee's revision of the western European trade pattern is to reduce exports and sustain imports, thereby partly protecting consumption from the effect of lowered production, but at the price of a much lower export balance than was estimated by the original CEEC plan.

C. European Trade in Finished Steel, 1948–51—Under United States Revisions

The revised estimates visualize a sharp increase in finished steel production, from 28,600,000 tons in 1948 to 40,600,000 in 1951. Roughly 25 percent of production would be exported annually, about three-fifths to participating countries and the balance to outside countries. Total imports would be less than total exports and would, as a percentage of production, decline from 23 percent in 1948 to 18 percent in 1951, the absolute annual imports rising from 6,400,000 to 7,200,000 tons. A declining share of total imports would be from outside countries averaging somewhat under 25 percent. The participating countries would maintain a net export balance in steel with the outside world throughout the period, growing from 1,200,000 tons in 1948 to 3,100,000 in 1951. This balance would represent an increasing share of total production. Net consumption in the participating countries under such a trade pattern would increase sharply from 27,400,000 tons in 1948 to 37,500,000 in 1951.

Total exports during the period 1948–1951 are consistently lower in relation to production than in 1937, although considerably higher than in either 1938 or 1947. The percentage of production exported drops very slightly over the period. The relation between exports to participating countries and exports to outside countries is, throughout the entire period, the reverse of what it was prewar. Whereas, in 1937, 60 percent of exports from the 17 countries was to outside countries, this share in 1948–51 is about 40 percent. As against 6,400,000 tons exported to outside countries in 1937, the United States agencies estimate comparable exports of 3,000,000 tons in 1948 and 4,200,000 tons in 1951. This would indicate that the 17 countries will not be fully supplying their prewar outside markets during the program. More precisely, the 16 countries, excluding Germany, will be furnishing, in 1951, about 75 percent of their aggregate prewar supply to outside countries, but because of German production cuts, the 17 countries as a whole will furnish no more than two-thirds of their 1937 tonnage. Very sharp production increases or a leveling off of consumption in subsequent years might possibly enable the area to replace prewar Germany in the export market, but this is not scheduled to occur during 1948–51.

Scheduled total imports are somewhat less significant in analyzing the 1948–51 trade

TABLE 7.—*Exports and imports of finished steel by participating countries in past years and in 1948–51 as scheduled by CEEC and by United States agencies*

	1937	1938	1947 (CEEC estimate)	United States estimate				CEEC estimate			
				1948	1949	1950	1951	1948	1949	1950	1951
1. In thousand metric tons:											
Production	34,340	34,102	22,968	28,646	33,664	37,586	40,601	33,981	36,927	40,383	43,889
Exports, total	10,585	6,889	4,535	7,662	9,007	9,922	10,275	9,118	9,796	(1)	(1)
To participants	4,219	(2)	(2)	4,640	5,699	5,959	6,045	5,518	6,159	(1)	(1)
To nonparticipants	6,366	(2)	(2)	3,022	3,308	3,963	4,230	3,600	3,637	(1)	(1)
Imports, total	4,635	4,524	3,986	6,442	7,468	7,589	7,197	6,790	6,693	(1)	(1)
From participants	3,916	(2)	(2)	4,640	5,699	5,959	6,045	5,518	6,159	(1)	(1)
From nonparticipants	719	(2)	(2)	1,802	1,769	1,630	1,152	1,272	534	300	250
Consumption [3]	28,693	31,829	23,155	27,426	32,125	35,253	37,523	31,672	33,927	(1)	(1)
Net exports to nonparticipants	5,647	(2)	(2)	1,220	1,539	2,333	3,082	2,328	3,103	(2)	(2)
2. As percent of total production:											
Exports, total	30.8	202	19.7	26.8	26.7	26.4	25.3	26.8	26.5	(2)	(2)
To participants	12.3	(2)	(2)	16.2	16.9	15.9	14.9	16.2	16.7	(2)	(2)
To nonparticipants	18.5	(2)	(2)	10.6	9.8	10.5	10.4	10.6	9.8	(2)	(2)
Imports, total	13.5	133	174	22.5	22.2	20.2	17.7	20.0	18.1	(2)	(2)
From participants	11.4	----------	----------	16.2	16.9	15.9	14.9	16.2	16.7	(2)	(2)
From nonparticipants	2.1	----------	----------	6.3	5.3	4.3	2.8	3.8	1.4	0.7	0.6
Consumption	83.6	933	100.8	95.7	95.4	93.8	92.4	93.2	91.9	(2)	(2)
Net exports to nonparticipants	16.4	(2)	(2)	4.3	4.6	6.2	7.6	6.8	8.4	(2)	(2)
3. Percentage distribution of exports:											
To participants	39.9	(2)	(2)	60.6	63.3	60.0	58.8	60.5	62.9	(2)	(2)
To nonparticipants	60.1	(2)	(2)	39.4	36.7	40.0	41.2	39.5	37.1	(2)	(2)
4. Percentage distribution of imports:											
From participants	84.5	(2)	(2)	72.0	76.3	78.5	84.0	81.3	92.0	(2)	(2)
From nonparticipants	15.5	(2)	(2)	28.0	23.7	21.5	16.0	18.7	8.0	(2)	(2)

[1] No estimate given by CEEC.
[2] Not available.
[3] May include withdrawals from stock, or for other reasons fail to correspond to consumption figure computed from production and net export figures.

[3] Trade in crude and semifinished steel is of secondary importance and is largely a result of market conditions for finished steel. It fluctuates relatively widely about a low level.

pattern than are exports. This is because the imports of finished steel from outside countries, an important segment of total imports, consists almost entirely of United States aid shipments. These are clearly designed to be of a temporary, abnormal character for the program period only and do not, therefore, in conjunction with imports from participants, add to any kind of normal import pattern. Annual imports of the 17 participants from each other rise from 4,600,000 to 6,000,000 tons. This segment of imports is considerably higher than in 1937 and is equivalent to a somewhat higher percent of production than in 1937. Total imports average annually about 1,600,000 tons above imports from participating countries—the difference representing United States aid shipments—and are likewise distinctly above 1937 levels.

The net export balance of the 17 participating countries is indicated by the revised estimates to range from 1,200,000 tons in 1948 to 3,100,000 tons in 1951. This modest rise is sharply below the original CEEC assumption and is drastically below the 1937 export balance of 5,600,000 tons. The net figure is, however, somewhat misleading. If annual imports from the United States of about 1,600,000 tons be disregarded, the export balance is correspondingly increased. The 17 countries' export balance with the outside world, excluding the United States, would be 2,900,000 tons in 1948, rising to 4,200,000 tons in 1951. This latter figure, although still below the 1937 figure, more nearly approaches the probably prewar norm. Since the United States shipments are recognized to be in aid of reconstruction, and since the outside countries, excluding the United States, constitute the participants' normal steel market, such an approach appears valid. Again assuming a smooth adjustment of post-1951 trade to the cessation of extraordinary imports from the United States and an increase in steel available for participants' exports, there appears to be a reasonable prospect for restoration of the participants' prewar export position within a few years after the conclusion of the aid program.

TABLE 8.—*Exports and imports of finished steel by CEEC countries [1] in past years and in 1948-51 as scheduled by CEEC and by United States agencies*

	1937	1938	1947 (CEEC estimate)	United States estimate				CEEC estimate			
				1948	1949	1950	1951	1948	1949	1950	1951
1. In thousand metric tons:											
Production	20,222	18,379	20,232	24,041	26,975	29,197	30,937	29,576	30,638	32,594	34,225
Exports, total	7,111	3,766	3,793	6,141	6,798	7,563	7,766	7,597	7,587	8,442	8,602
To participants	2,535	(2)	(2)	3,455	3,963	4,223	4,309	4,333	4,423	4,724	4,794
To nonparticipants	4,576	(2)	(2)	2,686	2,835	3,340	3,457	3,264	3,164	3,718	3,808
Imports, total	4,320	3,188	3,734	5,556	6,670	6,835	6,519	4,839	4,542	4,317	4,067
From participants	3,616	(2)	(2)	3,754	4,901	5,205	5,367	(3)	(3)	(3)	(3)
From nonparticipants	704	(2)	(2)	1,802	1,769	1,630	1,152	(3)	(3)	(3)	(3)
Consumption [4]	17,431	17,919	20,970	23,456	26,847	28,469	29,690	26,763	27,643	28,469	29,690
Net exports to nonparticipants	3,872	(2)	(2)	884	1,066	1,710	2,305	(2)	(2)	(2)	(2)
2. As percent of total production:											
Exports, total	35.1	20.5	18.7	25.5	25.2	25.9	25.1	25.7	24.8	25.9	25.1
To participants	12.5	(2)	(2)	14.4	14.7	14.5	13.9	14.7	14.5	14.5	14.0
To nonparticipants	22.6	(2)	(2)	11.1	10.5	11.4	11.2	11.0	10.3	11.4	11.1
Imports, total	21.4	17.3	18.5	23.1	24.7	23.4	21.1	16.4	14.8	13.3	11.9
To participants	17.9	(2)	(2)	15.6	18.2	17.8	17.4	(2)	(2)	(2)	(2)
To nonparticipants	3.5	(2)	(2)	7.5	6.5	5.6	3.7	(2)	(2)	(2)	(2)
Consumption	86.2	97.5	103.6	97.6	99.5	97.5	96.0	90.5	90.2	87.3	86.8
Net export to nonparticipants	19.1	(2)	(2)	3.7	4.0	5.9	7.4	(2)	(2)	(2)	(2)
3. Percentage distribution of exports:											
To participants	35.6	(2)	(2)	56.3	58.3	55.8	55.5	57.0	58.3	56.0	55.7
To nonparticipants	64.4	(2)	(2)	43.7	41.7	44.2	44.5	43.0	41.7	44.0	44.3
4. Percentage distribution of imports:											
From participants	83.7	(2)	(2)	67.6	73.5	76.2	82.3	(2)	(2)	(2)	(2)
From nonparticipants	16.3	(2)	(2)	32.4	26.5	23.8	17.7	(2)	(2)	(2)	(2)

[1] "CEEC countries" are the 16 countries, exclusive of western Germany. Note that in analyzing the destination of exports and source of imports of these countries, the categories used are "participants" (16 countries plus western Germany) and nonparticipants.
[2] Not available.
[3] No estimate given by CEEC.
[4] May include withdrawals from stocks, or for other reasons fail to correspond to consumption figure computed from production and net export figures.

V. *Consumption of Steel in Participating Countries: 1948–51*

On the basis of the United States estimates, less steel will be available for use in the participating countries during the first 2 years of the recovery program than is projected by the CEEC report. It is possible, however, that no more steel will actually be required than is provided for since, by reason of the method of their construction, the consumption estimates in the CEEC report may be excessive, and since there appears to be some question as to whether facilities for consuming so much steel presently exist or can be brought into operation early in the period covered by the recovery program. A distinct and to some extent inescapable weakness of the CEEC proposals and, consequently, of the United States revised estimates is the lack of detailed supporting data on the requirements for steel consumption in the participating countries.

The CEEC proposals visualize that the consumption of finished steel in the 17 countries will rise from 31,700,000 tons in 1948 (about equal to 1938) to a substantially higher figure in 1951. Consumption in the 16 countries, starting in 1948 at 26,800,000 tons (well over 1938 levels), rises to a 1951 level of 29,700,000 tons, almost 66 percent above 1938. Detailed figures for the 16 and 17 countries, in relation to 1938 and other preprogram years, are presented in table 9.

TABLE 9.—*Consumption of finished steel by participating countries in past years and in 1948–51 as scheduled by CEEC and by United States agencies*

[Quantities in thousand metric tons]

	Most active prewar year [1]	1938	1947	1948		1949		1950		1951	
				As scheduled by CEEC	As scheduled by United States committees	As scheduled by CEEC	As scheduled by United States committees	As scheduled by CEEC	As scheduled by United States committees	As scheduled by CEEC	As scheduled by United States committees
16 countries:											
Total consumption	22,354	17,919	20,970	26,763	23,456	27,643	26,847	28,469	28,469	20,690	29,690
Percent change from most active year		−20	−6	+20	+5	+24	+20	+27	+27	+33	+33
1938			+17	+49	+31	+54	+50	+59	+59	+66	+66
1947				+28	+12	+32	+28	+36	+36	+42	+42
17 countries:											
Total consumption	36,264	31,829	23,155	31,672	27,426	33,927	32,125	(2)	35,253	(2)	37,523
Percent change from most active year		−12	−37	−13	−24	−6	−11	(2)	−3	(2)	+4
1938			−27	0	−14	+7	+1	(2)	+11	(2)	+18
1947				+37	+18	+47	+39	(2)	+52	(2)	+62

[1] As selected by each country to show greatest representative prewar activity.
[2] Not available.

The United States agencies' revision of CEEC production, import and export estimates leads to a 1948–51 consumption pattern starting several million tons under CEEC levels in 1948 but rising to CEEC levels by 1950. As shown in table 9, the short fall is about 4,200,000 tons, or 13 percent, in 1948 and 1,800,000 tons, or 5 percent, in 1949.

In the absence of more detailed data on end-use, it is possible only to appraise the CEEC consumption proposals and the implications of the United States agencies' revisions in very broad terms. The original CEEC program provided for a substantial rise in steel consumption in the first year at the 4-year period. It implied an immediate increase in steel-using industrial capacity and in production and employment which could only be achieved, if at all, through the utmost exertion of national resources.

There can be no question of the propriety of western Europe's aspiration to accomplish such prompt acceleration in steel consumption nor of the desirability of its doing so, if feasible. The large needs for steel for reconstruction purposes as well as the substantial requirements to fulfill European export programs in fabricated metal products are recognized. Whether it would be physically or economically possible for these countries to consume the indicated quantities of steel, however, is a question which must remain open until more extensive data are available than are now at hand.

Fragmentary information available on end-use patterns in several consuming countries indicates that about 40 to 50 percent of scheduled consumption falls in programed industries (i. e.) those covered by other CEEC technical committee programs), while the balance is for nonprogramed industries. If a short fall in consumption is not to affect programed industries it must be applied entirely to exports and/or nonprogramed, steel-consuming industries. In view of the probable flexibility of nonprogramed consumption, it would appear probable that a 5- to 13-percent reduction could be absorbed during the first 2 years without seriously affecting the recovery program as a whole.[4]

Appendix 1. The scrap situation

Total import needs for scrap, as shown in the CEEC report, amount to about 3,000,000 tons a year for the participating countries. Of this total, the United Kingdom and Italy require the major share, varying from 72 percent the first year to 57 percent in 1951. According to CEEC, the only significant source of scrap imports within the participating countries in Bizonia, which shows scrap surpluses declining from 1,200,000 tons in 1948 to 600,000 in 1951. The net result of these projections is that the CEEC countries seek to import annually from the United States substantial quantities of scrap, increasing from 1,400,000 tons in 1948 to 2,200,000 tons in 1951.

At the outset it may be stated that there are no scrap supplies in the United States available for export. Scrap, which is now selling domestically at the unprecedented price of $40 per ton, is generally regarded as one of the main limiting factors to increases in United States steel production. Each ton of scrap exported from the United States would mean the loss of about 1.5 tons of ingot production. The stringency in scrap supplies is expected to continue for some years if the present level of steel production is maintained. In fact, the United States would itself be an importer of scrap on a major scale if there were offshore supplies available. It is the opinion of the United States agencies that the indicated deficiency in western Europe's scrap supplies is not as serious a matter as it appears to be. Analysis of the scrap supply figures given in the CEEC report suggests that these figures represent exceedingly conservative estimates of the quantities of scrap which may be available during the period of the ERP.

TABLE 10.—*Analysis of scrap supplies of CEEC countries in 1937 and 1947–51*

[Quantities in thousand metric tons]

	1938	1947	1948	1949	1950	1951
Consumption in blast furnaces and steel plants	12,994	15,318	17,879	18,367	19,086	19,648
Domestic supply, total	12,812	14,066	15,355	15,787	16,379	16,996
Home (steel-plant) scrap [1]	6,400	6,522	9,755	9,994	10,561	11,178
Percent of total supply	50	46	64	63	64	66
Prompt industrial scrap [2]	2,329	2,726	3,479	3,594	3,701	3,860
Percent of total supply	18	20	22	23	23	23
Other scrap (obsolescent and extraordinary scrap)	4,083	4,818	2,121	2,199	2,117	1,958
Percent of total supply	32	34	14	14	13	11
Deficit to be made up by imports from nonparticipants	182	1,252	2,524	2,580	2,707	2,652

[1] Calculated as difference between consumption of crude and semifinished steel in finishing process and production of finished steel, as reported by CEEC.
[2] Calculated at 13 percent of consumption of finished steel, as reported by CEEC.

The main classes of scrap in any period are (1) scrap generated in the steel mills themselves, so-called home scrap; (2) scrap generated in steel-fabricating industries, or prompt industrial scrap; and all other scrap arising from obsolescence principally and extraordinary consumption. Although the CEEC report does not break down its estimates of scrap supplies into these or any other categories, it is possible to make independent estimates for the CEEC countries of the volume of steel-plant scrap and prompt industrial scrap and to derive the volume of obsolescence and extraordinary scrap as a residual.

When analysis of this type is carried out for both the 1948–51 period and for past periods the excessively conservative nature of the CEEC estimates is revealed. Supplies of steel-plant and prompt industrial scrap in 1948–51 in the 16 CEEC countries are substantially above what they were in 1938 and what they are in 1947, as follows from the projected increases in steel output and consumption. The residual volume of obsolescent and extraordinary scrap, on the other hand, is about half what it was in 1938, and an even lower proportion of the current year's supply.

While the 1947 supply of obsolescent and extraordinary scrap is presumably inflated by war scrap, this claim cannot be made for 1938. In any case, supplies of war scrap are certainly not exhausted, and the decline in this class of scrap which will come in time will be at least partially offset by the rather extensive modernization and replacement of old and worn-out facilities projected as part of the recovery program. Whether judged against 1938 or 1947, therefore, the indicated level of obsolescent and extraordinary scrap appears much too low. When the analysis shown in the table for the 16 countries combined is carried through for individual CEEC countries, it appears that the estimates of future scrap supplies are in varying degree too low particularly in the cases of France, Italy, and the United Kingdom.

On the basis of present information no accurate picture can be drawn of comparative availability by country of extraordinary scrap in western Europe. In western Germany alone estimates of tonnages vary between 2,000,000 and 12,000,000, but for other countries, where substantial tonnages are believed to exist, not even a range of figures has been suggested.

On the basis of a sample survey the British have recently estimated that 5,000,000 tons of extraordinary scrap exist in the United States and United Kingdom zones, of which perhaps 3,600,000 could be available over the next 4 years. Currently the British are exporting scrap to the United Kingdom from their zone in Germany at the rate of about 500,000 tons a year. No scrap has been exported from the United States zone of Germany other than relatively small tonnages of Army-generated scrap (see below).

The bizonal authorities point to many difficulties impeding the collection of scrap in Germany. Emphasis is placed on shortages of transport and cutting equipment and the noncooperative attitude of the German people, who are described as reluctant to part with scrap partly for nationalistic reasons, but mostly because existing prices offered in marks are unattractive. The bizonal authorities have indicated a reluctance to attempt an all-out effort to collect scrap in western Germany because of the lack of an adequate organization to cope with the job

[4] Among the programed items which presumably would have priority on available steel supplies would be the substantial quantities of new steel-making equipment scheduled for installation during the recovery period. For the years 1948 and 1949, the CEEC technical representatives have estimated that the production of this equipment in five of the CEEC countries would require about 1.1 million tons of finished steel. When the steel consumed in the steel-expansion programs of the other countries is included, as well as the finished steel equivalent of imports of steel-making equipment from the United States, this figure would come to considerably more, possibly around 1.5 million tons for 1948–49. If it should develop that urgent current consumption needs for steel or vital export programs in fabricated steel products are being squeezed, it is questionable whether the expansion program in steel capacity should be adhered to as planned. Apart from questions as to the long-run justification for some of the expansion programs (see sec. II B) the timing of these programs should take account of possible stringencies in steel supplies, especially during 1948–49, and the effect of heavy new investment in steel plant on important current production plans in nonprogramed fields. It might be self-defeating, for example, to give absolute priority to a new steel plant at the expense of steel for workers' homes without which an existing bicycle factory finds it cannot operate. This might be true even if none of the product of the bicycle plant were scheduled for export.

in the face of other high priority programs, including food collection. By way of contrast it should be noted that the Russians in their zone of Germany have imposed rigid scrap collection quotas and scheduled 2,000,000 tons for collection in 1947 alone.

United States Army generated scrap in Germany and elsewhere cannot presently be made available for use in participating countries because of an Executive order issued on December 3, 1946, directing the return of all such scrap to the United States. This order was prompted by the acute shortage of scrap in this country and the belief commonly held that supplies of indigenous scrap in Europe are currently in excess of what the European countries indicate are available. The precise quantity of Army scrap in Europe has not been determined, but the potential tonnage available in Germany is believed to amount to 500,000 tons. It has been pointed out that moving this scrap to the United States in the face of actual and projected shipments of finished steel to Europe is uneconomical at a time when more steel could be made in Europe if more scrap were available. A reconsideration of the Executive order would be justified, however, only upon a definite determination that the participating countries are doing all in their power to mobilize their internal scrap resources and to make their surplus scrap available to other CEEC countries now suffering from scrap deficiencies.

Little information is to be had concerning the war scrap which is assumed to be lying unused in France, Belgium, and the Netherlands. In these countries scrap has not had the same importance as a steel plant raw material as it has had in the United States, so that the chief markets for scrap are the foundries. Foundries are generally small units situated in widely scattered areas, and do not require the collection of scrap on anything broader than a purely local basis. It has been suggested that more broadly based scrap collection and processing agencies in these countries might well be able to realize substantial additional tonnages of ferrous material. The scrap that resulted from the fighting in Italy is reported well on its way to being used up, the Italian steel industry having used scrap as its chief raw material almost to the exclusion of all others in its postwar operations.

Supplies of extraordinary scrap elsewhere in the participating countries are probably not of great consequence but there are probably some quantities in Austria, Greece, and Norway which might be recovered were means available to do so.

In order to ascertain more precisely the quantities of ferrous scrap available in western Germany and the requirements for mobilizing such scrap, a mission is now being organized by the United States Government to make a first-hand investigation of the situation. In addition to Government experts, the mission will include qualified representatives of the United States steel industry and scrap industry.

There is some evidence that substantial quantities of scrap in the Soviet zones of Germany and Austria may be available for purchase against hard currencies or for exchange against machinery and other equipment needed by the U. S. S. R. This possibility merits prompt investigation.

Appendix 2. Total drain on United States steel supplies of proposed exports of steel as such and steel in programed products

Shipments to western Europe of steel as such and steel in programed fabricated products as now scheduled by the United States agencies will involve a drain upon United States steel supplies, in terms of ingot equivalent, of about 4,000,000 tons in each of the first 3 years of the ERP and 3,000,000 tons in the fourth year. Current crude steel production in the United States is at an annual rate of 85,000,000 net tons. Thus programed shipments would appear to absorb 5 percent or less of current output of steel ingot.

Shipments from the United States under the various machinery and equipment programs of the ERP are scheduled by the United States agencies in terms of dollar value, or, in the case of inland transport equipment, in units. Table 11 outlines the conversion of these quantities to measures of iron and steel content and then to finish product equivalents, making allowance for scrap loss in fabrication. The conversion factors used in this process are set forth in footnotes to the table. Iron castings are included in machinery and equipment items because they often comprise a considerable part of the total weight.

Both the petroleum equipment and steel-mill equipment figures are merely token estimates. As discussed elsewhere no precise and reliable measurement of steel-mill equipment requirements is possible, due to uncertainty as to the effect of reparations deliveries upon ultimate requirements. The

TABLE 11 (A).—*Finished iron and steel product equivalent of machinery and equipment imports from the United States scheduled for participating countries by United States agencies, 1948–51*

Type of equipment	1948						1949					
	Imports scheduled by United States agencies		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]	Imports scheduled by United States agencies		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]
	Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons			Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons		
Petroleum equipment	209,200					[4] 400	252,100					[4] 480
Mining machinery	81,900		26,000	12	12	14	52,700		16,130	8	8	9
Electrical equipment	95,000		47,500	22	13	15	100,700		50,350	23	14	16
Timber equipment	16,900					[5] 15	22,200					[5] 20
Inland transport:												
Freight cars	60,000	20,000	(6)	(6)	(6)	[7] 160	18,000	6,000				[7] 51
Trucks	80,900	53,900	(6)	(6)	(6)	[8] 128	43,200	28,800				[8] 69

[1] Conversion factors were for mining machinery $3.15 per pound; for electrical equipment $2 per pound, and for agricultural machinery $0.23 per pound.
[2] Iron and steel content estimated at 98 percent of total weight of mining machinery, 60 percent for electrical equipment, and 95 percent for agricultural machinery.
[3] Allowing for a scrap loss of 13 percent.
[4] Rough estimate of United States agencies.
[5] Data submitted by CEEC technical advisers in course of Washington conversations.
[6] Not available.
[7] Computed on basis of 9.4 short tons, or 8.53 metric tons, per freight car.
[8] Computed on basis of 5,246 pounds, or 2.38 metric tons, per truck.

TABLE 11 (B).—*Finished iron and steel product equivalent of machinery and equipment imports from the United States scheduled for participating countries by United States working committee, 1948–51*

Type of equipment	1948						1949					
	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousand metric tons)[2]	Finished product equivalent (in thousand metric tons)[3]
	Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons			Value (in thousand dollars)	Units	In thousand pounds[1]	In thousand metric tons		
Agricultural machinery including tractors	136,300		592,609	269	256	294	161,500		702,174	319	303	343
Steel mill equipment	48,100					[4] 25	48,200					[4] 25
Total	728,300					1,051	698,600					1,018

[1] Conversion factors were for mining machinery $3.15 per pound; for electrical equipment $2 per pound, and for agricultural machinery $0.23 per pound.
[2] Iron and steel content estimated at 98 percent of total weight of mining machinery, 60 percent for electrical equipment, and 95 percent for agricultural machinery.
[3] Allowing for a scrap loss of 13 percent.
[4] Data submitted by CEEC technical advisers in course of Washington conversations.

TABLE 11 (C).—*Finished iron and steel product equivalent of machinery and equipment*

Type of equipment	1950						1951					
	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousands of metric tons)[2]	Finished product equivalent (in thousands of metric tons)[3]	Imports scheduled by United States committees		Total weight		Iron and steel content (in thousands of metric tons)[2]	Finished product equivalent (in thousands of metric tons)[3]
	Value (in thousands of dollars)	Units	In thousands of pounds[1]	In thousands of metric tons			Value (in thousands of dollars)	Units	In thousands of pounds[1]	In thousands of metric tons		
Petroleum equipment	242,900					[4] 460	161,200		(5)	(5)	(5)	[4] 310
Mining machinery	37,600		11,936	5	5	6	34,500		10,952	5	5	6
Electrical equipment	85,000		42,500	19	11	13	65,000		32,500	15	9	10
Timber equipment	11,700					[6] 11	11,700		(5)	(5)	(5)	[6] 11
Inland transport:												
Freight cars												
Locomotives												
Trucks	37,000	24,700				[7] 59	36,700	24,500	(5)	(5)	(5)	[7] 58
Agricultural machinery, including tractors	131,800		573,043	260	247	284	115,500		502,174	228	217	250
Steel mill equipment	48,200					[6] 25	48,200		(5)	(5)	(5)	[6] 25
Total	594,200					858	412,800					670

[1] Conversion factors were for mining machinery $3.15 per pound; for electrical equipment $2 per pound; and for agricultural machinery 23 cents per pound.
[2] Iron and steel content estimated at 98 percent of total weight of mining machinery; 60 percent for electrical equipment; and 95 percent for agricultural machinery.
[3] Allowing for a scrap loss of 13 percent.
[4] Rough estimate of United States Working Committee on Iron and Steel.
[5] Not available.
[6] Data submitted by CEEC technical advisers in course of Washington conversations.
[7] Computed on basis of 5,246 pounds, or 2.38 metric tons, per truck.

TABLE 12.—*Steel ingot equivalent represented in imports of iron and steel products and imports of machinery and equipment scheduled for participating countries by United States agencies, 1948–51*

[In thousand metric tons]

Product	Imports from United States scheduled by United States committees				Scrap loss from ingot	Ingot equivalent			
	1948	1949	1950	1951		1948	1949	1950	1951
Crude and semifinished steel:					*Percent*				
Excluding hot-rolled strip	400	400	400	400	15	471	471	471	471
Hot-rolled strip	250	250	250	200	25	333	333	333	266
Finished steel:									
Sheet	215	180	31		(1)	(1)	(1)	(1)	(1)
Tin plate	290	285	269	250	(1)	(1)	(1)	(1)	(1)
Other finished steel	1,150	1,235	1,330	902	(1)	(1)	(1)	(1)	(1)
Total	1,655	1,700	1,630	1,152	25	2,207	2,267	2,174	1,536
Finished iron and steel product equivalent in machinery and equipment	1,051	1,018	858	670	25	1,400	1,357	1,144	893
Grand total						4,411	4,428	4,122	3,166

[1] Not available.

value of petroleum equipment required is also not a firm estimate by the United States agencies. The CEEC estimates covered the equipment needs of the CEEC countries oil companies for their operations in Europe, in dependent overseas territories, and in other areas. They did not include the needs of American companies operating in western Europe. One purpose of the United States revisions of CEEC estimates was to add this last class of requirements to the total. Data have been inadequate for close estimate of these total requirements, however.[1]

[1] Complications surrounding the petroleum equipment program have necessitated dropping this class of equipment as a scheduled item. Because pipe line and casing were classified by CEEC as petroleum equipment rather than as a finished steel product, it was considered inadvisable to drop petroleum equipment from this analysis however.

Table 11 shows that the finished product equivalent of iron and steel contained in equipment and machinery items declines from 1,100,000 metric tons in 1948 to 700,000 tons in 1951. Translated into terms of ingot equivalent by assuming a scrap loss of 25 percent, the requirements drop from 1,400,000 to 900,000 tons. Requirements for steel as such put into ingot equivalent by a similar process range from 3,000,000 tons in 1948 to 2,300,000 tons in 1951. As shown in table 12, the total impact upon United States ingot capacity is thus estimated to be, at the most, 4,400,000 tons in 1948 and 1949, and at the least 3,200,000 tons in 1951.

Appendix 3. The potential contribution of surplus German steel capacity to the European recovery plan

A program of steel-plant modernization and expansion has been projected by CEEC involving a gross addition of 8,000,000 tons of ingot capacity over 4 years. Comparable expansion of supporting facilities is also contemplated. The total cost of the program is calculated to amount to about $2,250,000,000, of which not more than about $900,000,000 would represent movable equipment. Of the latter, about $400,000,000 worth represents equipment which it is proposed would be obtained from the United States.

Steel-plant capacity in the bizonal area amounts to about 19,000,000 tons, of which 12,500,000 tons is to be retained under the new "level of industry" plan. Of the remaining 6,500,000 tons, 4,000,000 are reported to be in good condition and ultimately should be made available for reparations.

CEEC estimates of import requirements for expansion of steel capacity have taken no account whatever of equipment to be made available from Germany as reparations, on the grounds that its receipt cannot be relied on with sufficient certainty. Detailed reasons offered by the CEEC technical representatives are: (a) The reparation quotas of non-CEEC countries are sufficiently large to encompass all steel capacity to be removed; (b) the process of valuation, allocation, dismantling, etc., will take an excessively long time, whereas orders for new equipment must be placed immediately if delivery is to be made within the next few years; (c) there is a possibility that German resistance to dismantling will be obdurate; and (d) approximately one-third of the needed equipment consists of types which do not exist in Germany. Of these reasons, only the last is incontestible.

As for (a), it may be taken as virtually certain that CEEC countries can count on being allocated at least their full quotas of German steel capacity, or just over 50 percent of the total available. Allocation procedures are such as to ensure that individual types of equipment are, so far as feasible, distributed roughly in accordance with reparation quotas. Administrative arrangements could certainly be made to ensure such distribution in the case of steel capacity.

All German plants to be removed as reparations have now been listed and the list has been officially published in Germany. A United Kingdom military government official has stated that valuation of the entire list is expected to be completed within 60 days. Should sufficient priority be given to the reparation program, there is no substantive reason why allocation of all steel capacity among individual recipient countries could not be completed within a maximum of 6 months thereafter. It may be taken as virtually certain, therefore, that within 8 months from now individual CEEC countries could be definitely informed as to the individual steel plants they would be entitled to receive from Germany, and it should be possible to accomplish this task within less than 6 months.

The probable time required for dismantling and transport is more indefinite, involv-

ing questions of administration, priority, and of German resistance. OMGUS has, however, estimated that all reparation plants in the British zone, where most of the steel capacity is located, can be dismantled and removed within three to four years. Granted adequate priority and given a sufficiently firm attitude toward such German resistance as may arise, it is believed that removal of steel capacity could be completed within a substantially shorter time period. This period is shorter than that within which new orders can be delivered.

The above facts may be summarized as follows: (a) detailed information on specific German steel capacity to be delivered to individual CEEC countries can be made available in from six to eight months: (b) after that date such capacity can be counted on in economic planning with virtually the same degree of certainty as can capacity to be supplied through new orders. It should be noted that establishment of purchasing missions and placement of firm orders after funds become available to CEEC countries might well not occur until six to eight months from now.

Detailed estimates of possible reductions in import requirements of steel making equipment from the United States can only be made after careful screening of individual CEEC expansion projects, and after agreed import requirements are matched in detail against available equipment from Germany.

Appendix 4. Cartel aspects of the steel program

In providing assistance under the program for European recovery, it is necessary to have assurances that such assistance will not be utilized to continue or to reinforce European cartels. It is equally necessary to ascertain that the volume of such assistance solicited from the United States is not greater than that which would be requisite in the absence of cartel restraints on the trade of Europe.

Before the war the steel trade of the principal European producers was profoundly affected by the operation of the international steel cartel. The agreements underlying the cartel were supposed to have been terminated in 1938, but before expiring they were renewed. Reports from United States observers in Europe suggest that they are at present legally in effect, though presumably in a state of suspense in terms of operation.

The general form of the international cartel agreements may be briefly stated: The cartel periodically determined the total tonnage of steel to be exported, and assigned quotas within this total to the various national groups. An export tonnage was also periodically determined for each steel product for which a selling syndicate had been organized. The selling syndicate then allocated this tonnage among the national groups in accordance with their established product quotas. Prices and conditions of sale were fixed and concerted measures against outside competitors were provided.

In order to insure conformity to the export quota, the management of the cartel could require a group that had exceeded its quota to withdraw from the market, or "protective" (i. e., excessive) prices, or even transfer orders to deficit national groups. The restrictions were further enforced by imposing on offending groups fines of 20 gold shillings per excess ton and distributing these payments among those groups which failed to live up to their quotas. Germany was, incidentally, able to use this provision in the late 1930's to exact large bonuses from the other members of the cartel for falling short of its quota, when the main reason for the export deficit was the enormous diversion of German steel to the domestic rearmament program.

In order to be sure that restrictive agreements of the foregoing type are no longer binding upon European steel producers, and in order to ascertain that practices of a similar kind are not being engaged in, it would be desirable to request the participating countries to submit the following information:

1. Summaries or copies of all patent licenses, sales, or other agreements or arrangements between two or more steel-producing or fabricating enterprises affecting division of sales territory, degree of plant utilization, prices, division of fields of production or channels of distribution, together with a statement as to the present legal status of such agreements or arrangements, if any.

2. Summaries or copies of contracts involving the purchase of coke, coal, manganese, iron ore, or metallic tin so far as such contracts may accord the supplier the authority to limit the freedom of the steel-producing or fabricating enterprise's rate of production, range of production, or sales policy.

3. Summaries or copies of contracts for modernization or expansion of steel producing or fabricating plants so far as these may affect the producing unit's freedom of enterprise, including its price policy, choice of distribution channels, and markets.

4. Legal status and character of relationships, if any, of steel production or fabricating enterprises to national or international organizations empowered to establish or control selling prices or fields of enterprise.

The Paris report calls for the establishment of a permanent steel cooperation committee to facilitate mutual consultation with respect to raw-materials supplies, production of steel, and individual country programs for modernization and extension of steel industries. To establish such an organization a meeting of interested governments is to be convened on March 18, 1948, sponsored by the Governments of the Benelux countries, France, and the United Kingdom.

It should be noted that the countries sponsoring this organization constituted, together with Germany, the mainstays of the prewar international steel cartel. While the proposal envisages that the membership will include delegates not only from producing countries but also from countries, such as the Netherlands, which are primarily steel consumers, there is no indication that the delegates will represent steel-consuming interests within each country as well as steel-producing interests. Furthermore, while there may be proper functions for such an organization during the period of extreme scarcity in steel, its permanent character suggests that the usual restrictive cartel functions may be envisaged for such times when a buyers' market in steel will again prevail.

If a steel cooperation committee should, in fact, be established, certain safeguards should be insisted upon. Among such safeguards are the limitation of the life of the organization to the period of steel scarcity, and representation for steel-consuming interests within each country. It is presumed that agreements, understandings, or other arrangements sponsored by the committee would be disclosed in detail to the United States and, upon request of the United States, would be modified to avoid any effects adverse to the objectives of the European recovery program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BRIDGES. Mr. President, I wish to address a question to the distinguished chairman of the Committee on Foreign Relations. I should like to ask the chairman of the Foreign Relations Committee, who has been the sponsor of this measure both in his committee and before the Senate, whether a vote for $5,300,000,000—if it is so voted by the Senate and by the House—or for any other amount voted by the Congress, will leave the Appropriations Committee of the Senate absolutely free to study, examine, and scrutinize all the items in the bill, and to report its own figure and recommendations, without being subjected to the criticism of the sponsors of the bill or the Government propaganda which is let loose whenever an authorization is made, to put pressure on the Appropriations Committee to appropriate the exact figure of the authorization. I should like to have that question settled before I vote.

Mr. VANDENBERG. Mr. President, the Senator's question involves quite a number of factors in the course of unwinding itself. I think I know what the Senator wants answered, and I shall undertake to answer his question just as categorically as I can.

I believe that the Appropriations Committee has an independent function in the operations of the business of the Senate. I think it is the business of the Senate Appropriations Committee to proceed under precisely the same sense of responsibility in connection with its tasks as the Senate Foreign Relations Committee has done. I expect the Senate Appropriations Committee to give due consideration to the record which has been written, as a part of the basis of its judgment. I do not expect the committee to consider that it is bound to accept the figure in the authorization unless it finds the figure justified by its own independent investigation. The Senator will understand that so far as the Senator from Michigan is concerned, he thinks the appropriation should be $5,300,000,000. But that is beside the point.

The Senator from New Hampshire is asking me about the function of the Appropriations Committee; and I hope I have indicated to him that I consider that the committee has not only a freedom to act, but a responsibility to act. When the committee acts, if the Senator from New Hampshire and I disagree about the ultimate figure, it will be a legitimate subject, again, of debate; and I am sure the Senator from New Hampshire will concede that.

But there will be no recrimination from the Chairman of the Foreign Relations Committee, there will be no argument based on that sort of a thesis, if the figure is changed, although of course I must emphasize that in the opinion of the Chairman of the Foreign Relations Committee the figure of $5,300,000,000 is essential, up to at least the time when the next Congress can audit the whole enterprise in January of 1949.

Mr. BRIDGES. Mr. President, one part of my question which the Senator has not answered is whether to his knowledge the Government of the United States and all the agencies or associations which are actively backing European recovery today are going to set forth a barrage of propaganda against the Appropriations Committee or any individual member who wishes to act on

his own here, rather than bow to the absolute dictates of the authorization.

Mr. VANDENBERG. Of course I cannot give the Senator any assurances regarding any branch of the Government except the one in which I have a part. Let me say to the Senator that I hope the result of the work of the Appropriations Committee will be of a character which will not even remotely invite any sort of recrimination or barrage.

Mr. BRIDGES. I say to the Senator from Michigan that I think the work of the Appropriations Committee will be of that nature, and that there will be an opportunity for careful scrutiny and examination of these items; and I think the committee can very well go into many of the details of the items contained in this over-all authorization bill which his committee, in passing on the question principally on the merits of the thing, has not examined perhaps as carefully or in such detail as the Appropriations Committee will want to go into that phase of it.

Mr. VANDENBERG. Mr. President, if it were not for the lateness of the hour, I should have something to say to the Senate about the authorization and about the amendment offered by the able Senator from Ohio [Mr. TAFT]. But I am prepared to let the matter go to a vote.

If I were discussing it, I would emphasize now, as I have repeatedly emphasized before, that in the opinion of the Senator from Michigan, there never can be too much scrutiny put forth at every step of the evolution in this almost completely speculative enterprise and adventure.

The Senator from Michigan thinks it is indispensable to proceed with the adventure. He offers no guaranties in connection with it. He has claimed no sanctity for any figures in connection with it. He has felt that in the initial stages the Senate should accept, in its over-all authorization, the figure which represents the consensus of the best opinion available as the result of 8 months of study of the subject; and for that reason he believes that the over-all authorization should remain at $5,300,000,000.

But within that authorization there is not only freedom, I repeat, but a duty not only upon the Senator's committee but certainly upon the so-called watch-dog committee, if it shall be created under the terms of this bill, to provide a scrutiny of this entire enterprise, which cannot be detailed too completely to satisfy the Senator from Michigan.

Mr. TAFT. Mr. President, of course, I considered this question before offering the amendment to the authorization bill.

I quite agree that legally the Appropriations Committee can do anything it pleases. It can appropriate nothing, if it wishes to do so. But I think in all the circumstances of the case, if this bill is passed without my amendment, the European countries will consider that it is an undertaking to give $5,300,000,000. I think every newspaper in the country will condemn the Appropriations Committee if it does not thereafter vote to give $5,300,000,000, after the passage of this particular bill, if my amendment is not added to it.

So while I agree as to the legal position, I do feel very strongly that the Appropriations Committee will not be a free agent if this bill is passed without my amendment, but will for all practical purposes be compelled to adopt the full figure.

That is why I have felt that the amount should be reduced by the adoption of this amendment to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. On this question, the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLELLAN (when his name was called). On this vote, I have a pair with the senior Senator from Maryland [Mr. TYDINGS] who is absent on account of illness. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present and voting, he would vote "nay."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from Utah [Mr. WATKINS] is absent on official business, and is paired with the Senator from Utah [Mr. THOMAS]. If present and voting, the junior Senator from Utah [Mr. WATKINS] would vote "yea," and the senior Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. STENNIS] is absent on official business. If present, he would vote "nay."

The Senator from New York [Mr. WAGNER] is necessarily absent. If present, he would vote "nay."

The senior Senator from Utah [Mr. THOMAS] is absent on official business. On this vote he is paired with the junior Senator from Utah [Mr. WATKINS]. If present, the senior Senator from Utah would vote "nay," and the junior Senator from Utah would vote "yea."

The result was announced—yeas 31, nays 56, as follows:

YEAS—31

Ball	Hawkes	O'Daniel
Brewster	Jenner	Revercomb
Bricker	Johnson, Colo.	Robertson, Wyo.
Brooks	Johnston, S. C.	Russell
Buck	Kem	Taft
Butler	Langer	Taylor
Byrd	McCarthy	Wherry
Capehart	McFarland	Williams
Chavez	Malone	Wilson
Dworshak	Martin	
Ecton	Moore	

NAYS—56

Aiken	Fulbright	Lucas
Baldwin	George	McCarran
Barkley	Green	McGrath
Bridges	Gurney	McKellar
Cain	Hatch	McMahon
Capper	Hayden	Magnuson
Connally	Hickenlooper	Maybank
Cooper	Hill	Millikin
Cordon	Hoey	Morse
Downey	Holland	Murray
Eastland	Ives	Myers
Ellender	Kilgore	O'Conor
Ferguson	Knowland	O'Mahoney
Flanders	Lodge	Overton
Pepper	Sparkman	Umstead
Reed	Stewart	Vandenberg
Robertson, Va.	Thomas, Okla.	Wiley
Saltonstall	Thye	Young
Smith	Tobey	

NOT VOTING—9

Bushfield	Stennis	Wagner
Donnell	Thomas, Utah	Watkins
McClellan	Tydings	White

So Mr. TAFT'S amendment was rejected.

Mr. AIKEN. Mr. President, on behalf of the Senator from California [Mr. KNOWLAND], the Senator from Minnesota [Mr. THYE], the Senator from Georgia [Mr. GEORGE], the Senator from Kentucky [Mr. BARKLEY], the Senator from Washington [Mr. MAGNUSON], and myself, I offer an amendment to the pending measure. I do not expect the Senate will care to take action on it tonight. I ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

The amendment submitted by Mr. AIKEN (for himself, Mr. KNOWLAND, Mr. THYE, Mr. GEORGE, Mr. BARKLEY, and Mr. MAGNUSON) is as follows:

On page 22, strike out lines 12 through 20 and insert the following:

"(c) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating county in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this act, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this act, and would the Administrator, in consultation with the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this act.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(d) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use

in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 percent of such sales price as authorized by subsection (e) of this section.

"(e) Subject to the provisions of this section, but notwithstanding any other provision of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any Government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 percent of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. This rescission of the remainder of section 32 funds by the act of July 30, 1947 (Public Law 266, 80th Cong.), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948."

Mr. VANDENBERG. Mr. President, will the Senator tell me whether the amendment he has now submitted is a substitute for various other amendments that have been proposed?

Mr. AIKEN. That is correct. It is a substitute for several amendments.

Mr. VANDENBERG. Is it a combined substitute?

Mr. AIKEN. It is a substitute for the amendment submitted by the Senator from Minnesota [Mr. THYE], for the one submitted by the Senator from Washington [Mr. MAGNUSON], for the one submitted by the Senator from Georgia [Mr. GEORGE], for Senate Joint Resolution 187, which I introduced, which is now on the Senate calendar, and also a substitute for section 12 (c) of Senate bill 2202.

The amendment has been considered. It relates to the disposal or the use of surplus agricultural commodities in the European recovery program. It has been agreed to finally by both the State Department and the Department of Agriculture, and the sponsors of all the various bills and amendments.

Mr. VANDENBERG. I present both my compliments and gratitude to the Senator from Vermont.

The PRESIDING OFFICER. May the Chair inquire whether it is the Senator's wish that the amendment shall be pending, or that it lie on the table and be printed?

Mr. AIKEN. I do not know of any opposition to it. I do not know that there is no opposition to it.

Mr. WHERRY. Mr. President, if there is any doubt about it, I ask unanimous consent that the amendment be printed, and that it be made the pending question for consideration when the Senate reconvenes tomorrow.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. BARKLEY. Does the Senator from Vermont submit his amendment?

Mr. WHERRY. Yes.

Mr. BARKLEY. But he does not press it now. It would be automatically printed and available tomorrow.

Mr. AIKEN. That makes it automatically the pending question, I understand.

Mr. WHERRY. It is the pending question.

The PRESIDING OFFICER. The Chair is of the opinion that the amendment is the pending question.

INVESTIGATION OF DR. EDWARD U. CONDON—ARTICLE BY MARQUIS CHILDS

Mr. HICKENLOOPER. Mr. President, with profound regret I feel it my duty to call to the attention of the Senate, the Congress, and the public the contents of a column appearing under the heading "Pattern of persecution" and written by Mr. Marquis Childs in the Washington Post of March 12, 1948. I ask unanimous consent that this column be printed in full at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the column was ordered to be printed in the RECORD, as follows:

WASHINGTON CALLING

(By Marquis Childs)

PATTERN OF PERSECUTION

The Joint Senate-House Atomic Energy Committee the other day went over the material which the House Un-American Activities Committee had assembled against Dr. Edward U. Condon and had used as the basis of a public charge that the head of the National Bureau of Standards was the "weakest link" in the chain of atomic security. One of the Senators, when the session was ended, said privately:

"I wouldn't convict a mongrel dog on the basis of what was shown to us."

The "evidence" consisted of a mass of hearsay gossip, second-hand reports of Condon's association with alleged foreign agents, and accounts of political opinions expressed by Dr. and Mrs. Condon. Part of it was dredged out of that bane of Washington life, the cocktail party.

Most of the Members present at the session of the joint committee seemed to agree that the case was pretty flimsy. What it got down to was that the Condons are people with unconventional opinions. Some might consider them radical.

Senator JOHN W. BRICKER, of Ohio, was one of two or three committee members to be upset by the "evidence." Why, he wanted to know, couldn't scientists be found who were loyal beyond any question? What he seemed to be asking for was scientists who would forswear opinion and dedicate themselves to their work with a more-than-human consecration.

At this, another committee member suggested that perhaps it might be a good idea to turn all the atomic scientific work over to the Women's Christian Temperance Union since no one could question their loyalty. BRICKER was not amused. Another nervous member was Representative CHARLES H. ELSTON, of Ohio.

One tangible gain came out of the session. The chairman, Senator BOURKE B. HICKENLOOPER, of Iowa, obtained a pledge from the Un-American Activities Committee that in future anything pertaining to atomic energy would be checked in advance with the Senate-House group set up to deal with that subject. This might not save individual scientists from the persecution to which Dr. Condon has been subjected, but it could possibly check the kind of mass attack on scientists, as such, which serves to alienate and intimidate the very men on whom the future security of this country depends.

Anyone doubting the effect of the Condon case on science has only to note the mass meetings at which scientists are rallying to his defense. A meeting is being held in New York this week, and one is planned for Washington in the near future.

An interesting question now is whether Dr. Condon will be allowed to face his accusers in an open hearing. Thus far, he has had no word whatsoever about a hearing which he requested nearly a year ago. That was after Representative J. PARNELL THOMAS, of New Jersey, Un-American Activities chairman, had published two magazine articles making the same charges released 8 months later by his committee.

(EDITOR'S NOTE.—It has just been announced that Dr. Condon will be accorded a public hearing by the Un-American Activities Committee.)

At that time—the date was July 7, 1947—Condon wrote to THOMAS asking to be heard. He received no reply. Shortly afterward he sent copies of that letter to all members of the Un-American Committee. The only answer he received was from Representative KARL MUNDT, of South Dakota, who said he agreed that Condon should have an opportunity to answer the accusations.

Inquirers at the Un-American Committee are told that there is no news about a public hearing. The suspicion is growing that the intention is to let this dud be forgotten.

But this is not the attitude of those who believe that the Bureau of Standards chief has been subjected to a thoroughly un-American persecution. Representative CHET HOLIFIELD, of California, who in a speech on the floor of the House answered the "charges" in detail, will press for a public hearing. A member of the Joint Atomic Energy Committee, HOLIFIELD would prefer that the hearing be held before that group, since the accused would presumably have a better chance to present his story there than before a body which has tried him in absentia and found him guilty.

A sad commentary is the House vote of 337 to 37 giving the Un-American Committee $200,000—more than ever before. Surely, now that this has been done, responsible leadership will see to it that procedures are in accord with elementary rules of justice.

Most disturbing sign—and most un-American—is this business of guilt by association. Perhaps that explains Senator BRICKER'S nervousness. At a dinner in Pittsburgh 2½ years ago, Dr. Condon was given an award by the Junior Chamber of Commerce. Senator BRICKER was the principal speaker at the dinner and sat side by side with the subject.

Mr. HICKENLOOPER. Mr. Childs is a reporter, and undoubtedly reports on matters of public interest those things which he learns or which have been told to him by persons whom he believes to be reliable. I have no doubt about his zeal for accuracy and that he believes the

statements made in this column are accurate.

In the interest of truth, however, I feel compelled to state that this column is replete with statements that are grossly inaccurate and, in some cases, factually untrue.

I read from the first paragraph of this column:

The Joint Senate-House Atomic Energy Committee the other day went over the material which the House Un-American Activities Committee had assembled against Dr. Edward U. Condon and had used as the basis of a public charge that the head of the National Bureau of Standards was the weakest link in the chain of atomic security.

The Joint Committee on Atomic Energy did not go over the material which the House Un-American Activities Committee may have, or may have assembled in connection with the Condon matter, and, so far as I know, no member of the joint committee has even seen this material or any part of it, and no part of the material assembled by the Un-American Activities Committee was before the joint committee or evident in any way.

Certain reports and material with respect to Dr. Condon were examined by the joint committee, but this material originated entirely apart and completely disassociated from any source controlled by the House Un-American Activities Committee.

Therefore, no member of the joint committee could have formed an opinion, or passed any judgment privately, or otherwise, in the Condon matter based upon material of the Un-American Activities Committee, unless such member might have had access to that material without the knowledge of the joint committee, or beyond my knowledge.

The statement is made in the column that I, as chairman of the joint committee "obtained a pledge from the Un-American Activities Committee that in future anything pertaining to atomic energy would be checked in advance with the Senate-House group set up to deal with that subject." I have no pledge from the Un-American Activities Committee of this kind.

On Saturday morning, March 6, 1948, Congressman STERLING COLE, vice chairman of the joint committee, and I met unofficially with two members of the Un-American Activities Committee and discussed some matters relative to areas of responsibility. These two members of the Un-American Activities Committee did not pretend to speak officially for the full committee, nor did we ask them to, nor did Mr. COLE and I undertake to officially bind the joint committee. In this discussion it was agreed by the four of us participating that the Un-American Activities Committee not only has broad jurisdiction in its field but has the right to look into activities of individuals within, and outside of, Government. It was also agreed, without dissent, that the Joint Committee on Atomic Energy has specific and legal obligation and duty to examine into matters involving atomic energy. There was no conflict in these opinions in this unofficial discussion. These two members of the Un-American Activities Committee stated it to be their personal belief that any matters touching atomic energy which came to the attention of their committee in the course of their investigations could very properly be discussed with our committee, or its representatives whenever such evidence is discovered. They said that they would present these views to the Un-American Activities Committee, with the hope that such cooperative arrangement would eventuate.

I am hopeful that such cooperative policy will be established, but by no interpretation could I conclude that any pledge has been made.

I have confidence that the House Un-American Activities Committee will make available to the Joint Committee on Atomic Energy such evidence as it may have in the Condon case touching atomic energy.

I shall not comment pro or con upon the alleged opinions, attitudes, or reported statements of individual members of the joint committee, nor on any evidence or material presented to the joint committee. Personally, I have an honorable obligation to my fellow-members of the joint committee, assumed by me, and as I understand, by all other members of the joint committee, that matters of vital concern and import to atomic energy and to the maintenance of confidence in its progress, occurring in executive session will not be discussed with others outside of the committee hearings, except as the committee authorizes. It would be a violation of that obligation for me to comment, pro or con, on discussions within the committee on this subject, or to speculate or conclude as to the private opinion to which individual members may, or may not have arrived.

I have been extremely proud that persons in Government, and others who have knowledge of vital areas in atomic energy, and of matters intimately associated therewith have, heretofore, felt confident and free to discuss such matters as may be essential before the joint committee in executive session, and that they have been assurred that such discussions would not "leak" or be "fed" to unauthorized persons. It will be a serious crippling handicap to the discharge of the responsibilities of the joint committee, under the law, if that confidence is shaken or destroyed.

I make no issue on the matter of discussions of atomic energy, either in the newspapers or otherwise by individuals who are not connected with the Joint Committee on Atomic Energy, but I do deplore the publication or public discussion of confidential matters which allegedly originate from executive sessions of the joint committee.

Again I want to state that I do not accuse Mr. Childs of intentionally or knowingly making any misstatements, for I am certain that he relied upon information which he no doubt had reason to believe was accurate. The inaccuracy, therefore, must have originated with the source of his information.

So far as the Condon matter is concerned, the House Un-American Activities Committee made its report thereon, has announced its determination to hold open hearings, and I am informed that Dr. Condon requests also such open hearings. I think full hearings and examination of all the facts involved is imperative and no material or substantial evidence should be withheld, suppressed, or denied. And, so far as my personal attitude is concerned, if I pass judgment at any time on the merits of this controversy, I shall wait until both sides have been fully heard and all the evidence has been adduced, so that fair and honest judgment can be concluded.

I further give this assurance, that if this matter eventually appears substantially to involve atomic energy, that phase will be thoroughly and exhaustively examined by the joint committee and concluded.

DISMANTLING OF INDUSTRIAL PLANTS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have placed in the body of the RECORD, because it pertains to the dismantling of industrial plants in the western zone of Germany, a letter received by me from Mr. Stewart W. Chaffee, relative to a plant being dismantled.

I wish to say to the Senate that I immediately took the matter up with the chairman of the Foreign Relations Committee, who made some inquiries of the State Department, and the reply has not been satisfactory. I shall not discuss the case tonight, due to the lateness of the hour, but I shall discuss it in more detail at a later time. However, I ask to have printed in the RECORD immediately following the first letter to which I have referred a letter dated March 4, 1948, from the State Department to Mr. Chaffee, and a letter dated March 9, 1948, addressed to the Senator from Michigan [Mr. VANDENBERG] in reply to the inquiry he directed to the State Department as a result of my request.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW YORK, *January 9, 1948.*

Re Germany: Dismantling plants.

Hon. WILLIAM F. KNOWLAND,
Senator of the United States, Senate Office Building, Washington, D. C.

DEAR SENATOR: On December 10, last, I returned from a 4 months' business trip to Europe, which included 6 weeks in Germany. Having learned through the press of your most commendable attitude against the policy of dismantling non-war-material-producing plants in Germany, particularly where the objective is the delivery of reparations to Russia at this time, I feel that one situation in particular should be called to your attention.

The firm of O. & K. Geissler manufactures precision instruments and is located in Munich. This firm had the reputation of being one of the three outstanding precision instrument firms in all of Germany, and is reported to have today several high-precision controlling machines which are stated to be the only ones existing in Germany at the present time. The plant and its entire machinery and equipment are in perfect condition, and its management is intact and of the highest caliber. It is presently in a position to accept tangible orders amounting to approximately four or five million dollars, which initial orders could undoubtedly lead to others involving many millions of dollars. The export-import division of the military government at Munich will not permit this firm to accept any orders which cannot be completed within an extremely short period, which means, as a practical matter, that no orders of any consequence

whatsoever may be taken. The reason for such position of the military government is the fact that the plant in question, although not on the war-plant dismantling list, is on the so-called surplus level of industry list. The electrical department of said export-import division did not know of the existence of said firm until it was called to its attention by myself, as I had learned of it (while I was serving with the military government in Munich) by reason of certain excellent work it did for our armed forces. It may well be that its existence was concealed from said electrical department by a certain highly placed employee of said export-import division who is now assiduously studying the Russian language and who undoubtedly was aware of the fact that Russian officers spent an entire day going over the plant and are more interested in acquiring its machinery and equipment than in obtaining that of any other plant in Bavaria. The military government knew absolutely nothing about the excellency of its special as well as general line of products, unless such facts were known to some particular individual connected with the military government who arranged to have the plant placed on the dismantling list with the hope, perhaps, that the Russians would acquire it. As an example of its special products, said firm manufactured a violet-ray machine which was used by the late President Roosevelt in connection with his infirmity, and it is indeed surprising that this fact was apparently not known to certain civilian employees of the military government.

According to reliable information just received by me, a definite date, February 15, next, has been set for the dismantling of the above plant as well as others in the vicinity which are on the surplus level of industry list. Is it not possible for the Appropriations Committe of the Senate to bring some pressure to bear so that at least such an unsound and ridiculous policy may be held in abeyance until sufficient opportunity is given to present the facts to the American public and thereby create a justified and insistent demand that such deplorable conditions be rectified? At present, as you undoubtedly know, the National Broadcasting Co., through its Three Star Extra, has been forcibly broadcasting certain flagrant examples of the plant-dismantling program which are absolutely prejudicial to the interests of the American taxpayer. These broadcasts are performing, I am convinced, an excellent service for the public by revealing the almost unbelievable policy of our military government in Germany, and have been the immediate cause which has impelled me to write this letter to you.

The real question involved, it seems to me, is not what the standard of living should be in Germany, but how much Germany should be able to produce in order to pay for the necessary imports which are now borne by American taxpayers. The only logical course would seem to be to defer dismantling any nonwar material producing plants until Germany is on a self-sustaining basis. If we are to place Germany upon a lower production level than she is capable of, it only means that we are delaying European recovery, which is again a burden upon American taxpayers.

It would appear that our State Department should take immediate steps to correct the situation in question, and see to it that the War Department at once orders the military government in Germany to cease dismantling any and all plants not classified as war material producing plants. As you may have observed while you were in Germany, certain of the high-placed civilian employees are obsessed with the idea that it is criminal for Germany to produce in excess of her bare, internal economic necessities. It was found by me, while I was in Germany, to be almost lese majeste even to suggest any holding in abeyance of the dismantling program. As a matter of fact, there was one highly placed civilian employee, who had formerly served with the military government, and with whom you spoke while you were in Munich, who told me that he had been briefed before your arrival, but that he would have told you many things in addition to what he did tell you, had he realized that you had also served with the military government. In other words, as you may well have surmised, there are two forces within the military government today, one constructive and the other obstructive, and unless this situation is corrected, we will continue to face many serious consequences in connection with our occupation of Germany.

It does not seem possible that it will be 2 years in April, since Mrs. Chaffee and I had the great pleasure of seeing you in Washington. She knows that I am writing to you today, and joins me in sending our very best wishes and most sincere congratulations upon the excellent record which you have made and are making.

Faithfully yours,

STEWART W. CHAFFEE.

MARCH 4, 1948.

Mr. STEWART W. CHAFFEE,
Graybar Building, New York, N. Y.

MY DEAR MR. CHAFFEE: Your letter to the President, dated February 5, 1948, has been received.

Numerous suggestions are received by the Department of State that particular plants, now scheduled for transfer from Germany to countries entitled to receive reparations, should be retained in Germany. I am sure you will appreciate that the detailed selection of individual plants for such transfer is necessarily an operating responsibility of military government authorities in that field, and that it would be impracticable for any department in Washington to attempt to investigate the merits of each suggestion made.

In general, the selection of individual plants for removal was carried out with a view to retaining in Germany the most economically located plants and those best able to contribute to the export program, while at the same time minimizing the local and temporary effects of dismantling. You may be assured that, if the particular plant in which you are interested is scheduled for dismantling, it was selected in accordance with this general policy. You may also be assured that, if dismantled, it will be reestablished in one of the countries entitled to receive reparations from the western zones of Germany.

As you are aware, the entire question of the German reparation program is now under investigation by the Congress, and a considerable volume of testimony on the subject has already been submitted by both the Department of State and the Department of the Army. The pamphlet printed by Common Cause, Inc., entitled "Destruction at Our Expense," had already been carefully studied within the Department. The other material enclosed with your letter has received similar consideration.

The Department remains of the opinion, on the basis of all facts known to it, that the German reparation program in no way retards the recovery of German industrial production, and that it will tend to reduce, rather than increase, the financial burden of the United States in Europe. I am enclosing for your information a memorandum on this subject recently prepared within the Department.

Sincerely yours,

DANIEL F. MARGOLIES,
Acting Associate Chief, Division of Occupied Areas, Economic Affairs.

(Enclosure: State Department Memorandum, February 2, 1948.)

MARCH 9, 1948.

The Honorable ARTHUR H. VANDENBERG,
United States Senate.

MY DEAR SENATOR VANDENBERG: Your letter of February 23, 1948, enclosing a letter to Senator KNOWLAND from Mr. Stewart W. Chaffee, 420 Lexington Avenue, New York, N. Y., has been received.

Mr. Chaffee urges that a particular German factory, now scheduled for dismantling, be retained in Germany. He has sent similar letters to the President and to the Secretary, and I enclose for your information copies of the replies made by the Department.

More detailed information than is presently available in Washington concerning this factory is being sought urgently from Berlin. You may be assured that this information will receive careful study, and a decision taken accordingly.

Sincerely yours,

For the Secretary of State:
CHARLES E. BOHLEN, *Counselor.*

(Enclosures: 1. Copy of letter to Mr. Chaffee, March 4, 1948. 2. Copy of letter to Mr. Chaffee, March 6, 1948. 3. Letter to Senator KNOWLAND from Mr. Chaffee.)

ISSUES FACING CONGRESS

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a copy of a telegram signed by one of our most outstanding citizens, Mr. H. R. Cullen, addressed to Hon. ROBERT A. TAFT, a copy of which was mailed to me.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HOUSTON, TEX., *March 6, 1948.*

Hon. ROBERT A. TAFT,
United States Senator from Ohio,
Senate Office Building,
Washington, D. C.:

In your letter of February 9, you asked me to give you my views on the issues now before Congress. Recent reports from our financial barometer New York exchange tell us that we are facing a depression. All brokers are losing money and laying off many of their employees. If it is a severe depression we may see our Government bonds totaling about $258,000,000,000 almost worthless. Our country is in no position to give or loan money to foreign countries. We will be fortunate to be able to retire our bonds in an orderly way and build an armed force sufficient to keep Russia off our backs. If the $15,000,000,000 that this country gave away to foreign countries the past 2 years had been used in building planes and atomic bombs then Russia would have kept her soldiers within her borders. It is time our Congress should pinch itself, wake up and get from under the spell of new dealism.

H. R. CULLEN.

Copies to: Joseph W. Martin, Jr.; Arthur H. Vandenberg; Lee O'Daniel; Tom Connally; Ed Gossett; Styles Bridges; Frank W. Boykin; Leo E. Allen; George W. Malone; Carroll Reece; Sam Pettengill; Dick Tullis, Washington, D. C.; Frank C. Waldrop, Washington Times-Herald; Robert M. Harriss, New York Cotton Exchange Building; Leonard Reed, Foundation for Economic Education, Irvington-on-Hudson, New York, N. Y., Ray Leeman, executive vice president, South Texas Chamber of Commerce, San Antonio; John Hodge, Associated Press, Houston; John Hartzell, United Press, Houston; George Cottingham, Houston Chronicle; Gov. Wm. P. Hobby, Houston Post, George Carmack, Houston Press.

EUROPEAN RECOVERY PROGRAM

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have inserted in

the body of the RECORD, because of its bearing on the Marshall plan, an original telegram signed by H. R. Cullen and addressed to me, dated today, March 12, 1948.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HOUSTON, TEX., *March 12, 1948.*

Hon. W. LEE O'DANIEL,
United States Senator from Texas,
Senate Office Building:

The people of those countries in Europe that Congress proposes to give billions of dollars to neither love nor respect our country, and only tolerate us due to our strong military position and financial strength. If we should lose our military strength, you may rest assured that those European countries will ally themselves with our enemy, Russia. Briefly said, the only way we can retain the support of those European allies is to remain the dominant military power of this world. What do our present allies think when they read these statements that I am now quoting? In the morning press, Ray Tucker quotes Lt. Gen. Leonard T. Gerow, commander of the Second Army with headquarters at Fort Meade, Md., who said in a recent speech that the United States could mobilize only two divisions, 30,000 men, for an immediate outbreak of hostilities. On learning of this statement, CLARENCE J. BROWN, of Ohio, said to Representative FOREST A. HARNESS, "Talking of propaganda. Did you see Gerow's latest blast? You might look into it. All I've got to say is that if we have only 30,000 out of 960,000 men ready to fight, we ought to get some new generals." Again I quote from the January issue of Fortune: "Shall we have airplanes? If yes, the aircraft industry must have some orders. At present producing less than 3 percent of its great 1944 volume and dying on its feet. Who will save it, and on what terms?" And again I quote from the February issue of the American Magazine: "We've scuttled our air defense. No longer is the United States the leading air power of the world. We have slipped behind both Russia and England." In this article the chief of our first-line defense, W. Stuart Symington, Secretary of the Air Force, tells why we must waste no time in setting up an impregnable air curtain. The people of the United States would have greater respect for General Marshall if he would spend more time saving our country instead of trying to save countries across the ocean. It is easily understood why Russia is so bold in capturing country after country in Europe after reading our daily press and American magazines. I am sending an identical telegram to TAFT, O'DANIEL, and BRIDGES hoping one of them will ask our Congress to help save America.

H R. CULLEN.

Mr. WHERRY. Mr. President, I should like to announce to the Senate, and also for the record, that I am very hopeful that with the progress made today we may reach a conclusion on the pending bill tomorrow night. It is the intention that a recess will be taken until tomorrow noon, and my reason for making this statement is that the concurrent resolution relating to Reorganization Plan No. 1 for 1948 is a privileged matter, and it is the intention that that will be taken up on Monday following the call of the calendar for the consideration of bills to which there is no objection. I make the statement so the Senate will have notice, and Senators will be ready to take up the joint resolution on Monday.

Mr. TAYLOR. Mr. President, I offered an amendment in the nature of a substitute for the bill under consideration which would provide for channeling aid through the United Nations. The charge has been made that such aid would be subject to veto. I have prepared a statement which I should like to have inserted in the RECORD refuting that contention.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Article 24, chapter V, which defines the functions and powers of the Security Council, states:

"The specific powers granted to the Security Council for the discharge of these duties (maintenance of international peace and security) are laid down in chapters VI, VII, VIII, and XII."

Chapter VI refers to pacific settlement of disputes, chapter VII refers to action with respect to threats to the peace, breaches of the peace, and acts of aggression, chapter VIII refers to regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action * * *; and chapter XII refers to international trusteeship system.

Conversely the General Assembly is given sole authority over economic and social matters and is given authority to delegate such functions if it wishes to the Economic and Social Council. The veto does not apply in either of these agencies.

The procedure is outlined in chapter IX of the Charter entitled "International Economic and Social Cooperation." Article 55 under that chapter states in part that the UN shall promote "higher standards of living, full employment, and conditions of economic and social progress and development * * *."

Article 60 of that chapter states:

"Responsibility for the discharge of the functions of the organization set forth in this chapter shall be vested in the General Assembly and, under the authority of the General Assembly, in the Economic and Social Council, which shall have for this purpose the powers set forth in chapter X."

Chapter X sets forth the powers of the Economic and Social Council.

The question of continuation of relief through international means was before General Assembly of United Nations October 31, 1946. It was referred to committee No. 2 by the Assembly which, on December 9, approved a resolution for a review board to review country needs but because of failure of financial support from the United States did not recommend an agency to continue handling of relief. The recommendation was accepted by the General Assembly December 11, 1946.

The action in the UNRRA case provides a clear precedent for the handling of social and economic problems by the General Assembly with no reference or jurisdiction of any kind to the Security Council.

The entire matter of the United Nations Relief and Rehabilitation Administration (UNRRA) was handled by the Economic and Social Council with approval of the General Assembly. No veto applies in either agency.

The only conceivable way in which the veto could be made to apply on handling of aid to Europe under a proposal such as my amendment in the nature of a substitute to the ECA bill would be for some nation to make the charge in the Security Council that the setting up of the relief agency was a threat to the peace. That is inconceivable. My measure would envision rehabilitation and economic aid only without political strings. No political strings would be possible if the United Nations were handling the problem. I can see no reason why the U. S. S. R. or any other nation would see fit to bring such a charge before the Security Council. If such a charge were brought it would be prima facie evidence that the U. S. S. R. did not desire peace and prosperity in the world and I would say that we then could fight with a clear conscience, knowing we had done our utmost to promote peace.

EUROPEAN RECOVERY PROGRAM—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which was ordered to lie on the table and to be printed.

RECESS

Mr. WHERRY. I now move that the Senate take a recess until tomorrow noon.

The motion was agreed to; and (at 11 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Saturday, March 13, 1948, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 12 (legislative day of February 2), 1948:

GOVERNOR, TERRITORY OF ALASKA

Ernest Gruening, of New York, to be Governor of the Territory of Alaska. (Reappointment.)

SENATE

SATURDAY, MARCH 13, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Lord, direct our hearts into the patience of Christ. Make strong our faith that God's will, though it may be hindered a time and obstructed by human blindness and folly and sin, must in the end be triumphant.

May all that we do be in accordance with the victory of God. Graciously minister to Thy servants, the Members of this body, according to their needs.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 12, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.