1655. Also, petition of 19 residents of Salem, Ohio, and vicinity, favoring the appropriation for the radio program, the Voice of America; to the Committee on Appropriations.

1656. Also, petition of 27 citizens of Steubenville, Ohio, favoring legislation designed, in the light of Secretary of State Marshall's proposal, to fulfill the needs of a sound European recovery program; to the Committee on Foreign Affairs.

1657. By Mr. SMITH of Wisconsin: Petition of a group of residents of Racine, Wis., urging passage of S. 265 in its original form and hearings on H. R. 4983; to the Committee on Interstate and Foreign Commerce.

1658. By the SPEAKER: Petition of Mrs. Arthur Bowen, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1659. Also petition of Mrs. Ismay Belle Dame, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1660. Also, petition of D. E. Zimmerman, Tallahassee, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1661. Also, petition of E. C. Vest, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1662. Also, petition of the Brotherhood of Railway and Steamship Clerks, petitioning consideration of their resolution with reference to enactment of the European recovery program; to the Committee on Foreign Affairs.

1663. Also, petition of L. L. Purcell and others, petitioning consideration of their resolution with reference to enactment of H. R. 16 and H. R. 2476; to the Committee on Ways and Means.

1664. Also, petition of the National Guard Association of Massachusetts, petitioning consideration of their resolution with reference to the terms of nondisability retirement bill for the civilian components, H. R. 2744, and urging its enactment; to the Committee on Armed Services.

1665. Also, petition of the Daughters of the American Revolution of Maryland, petitioning consideration of their resolution with reference to bringing the issue of military training to the floor of the House; to the Committee on Rules.

1666. Also, petition of Edwin Rebrig and others, petitioning consideration of their resolution with reference to salary increases to all postal employees; to the Committee on Post Office and Civil Service.

1667. Also, petition of the Committee for Constitutional Government, petitioning consideration of their resolution with reference to reduction in taxes and expenditures; to the Committee on Ways and Means.

SENATE

TUESDAY, MARCH 30, 1948

(Legislative day of Monday, March 29, 1948)

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

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou gracious Benefactor, we rejoice that day by day we are the recipients of Thy bountiful providence.

Grant that Thy blessings may also become contributions in our hands with which we shall seek to minister to humanity's deep and bitter needs.

Humbly and confidently we would continue to pray and labor for peace and good will among men.

May we never feel that these ideals and principles are merely illusions or that they lie beyond the sphere of practical realization. Deliver us from all cynical tempers of mind, and may nothing eclipse our faith in the Lord God Omnipotent.

Hear us in Christ's name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 29, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

POSITION OF AMERICAN TARIFF LEAGUE ON EUROPEAN RECOVERY PROGRAM—CORRECTION

Mr. SPARKMAN. Mr. President, on March 13, 1948, while the European recovery program was under discussion in the Senate, I made a few remarks on it and inserted a speech which I had previously delivered. In connection with the speech, I included an appendix which listed various organizations and groups supporting the European recovery program and also a few that were opposed to it. Among those listed as being opposed to it was the American Tariff League.

Following the printing of the list in the RECORD, I had a telegram from Mr. Richard H. Anthony, secretary of the American Tariff League, calling my attention to that inclusion and saying that it was not properly made. I therefore telegraphed him that my information had been received from a statement put out by the American Tariff League's official publication entitled "Topics," dated October 2, 1947, and asked him if his organization was not opposed to the European recovery program to let me know and I should be glad to correct the RECORD. On March 24, 1948, Mr. Anthony wrote me a letter explaining the position of the American Tariff League and requesting that the permanent RECORD be corrected by having the name of his organization withdrawn from that list.

So, Mr. President, I ask unanimous consent that in the permanent RECORD the name of the American Tariff League be deleted from the list of organizations opposed to the European recovery program. I further ask that there be printed at this point in the RECORD the correspondence which I have had with Mr. Anthony relating to this matter, and also a statement contained in the American Tariff League's Topics of October 2, 1947, upon which I based my opinion that the tariff league was opposed to the European recovery program.

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

The correspondence and the bulletin, Topics, are as follows:

NEW YORK, N. Y., *March 22, 1948.*

Senator JOHN SPARKMAN,
United States Senate:

On page 2788, CONGRESSIONAL RECORD, March 13, in appendix to insertion of your Civitan Club speech, our organization is listed as opposed to ERP. Please advise by wire collect by what authority our name is used, inasmuch as we are unaware of any statement made by any officer of the league or any action taken by the league itself relating to ERP.

RICHARD H. ANTHONY,
Secretary, the American Tariff League.

WASHINGTON, D. C., *March 22, 1948.*

Mr. RICHARD H. ANTHONY,
Secretary, the American Tariff League,
New York, N. Y.:

Reurtel. Was informed October 2, 1947, issue of American Tariff League's official publication, Topics, stated: "Even if a new program involving the expenditure of about $25,000,000,000 during the coming 4 years were submitted to the Congress in January, there does not seem to be the slightest prospect that it would be adopted or that it would restore prosperity and independence to the countries of western Europe or assure the ideals of peace usually associated with the outline." If your organization is not opposed to ERP, I shall be glad to correct the RECORD.

JOHN SPARKMAN,
United States Senator.

THE AMERICAN TARIFF LEAGUE,
New York, N. Y., March 24, 1948.

Hon. JOHN SPARKMAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SPARKMAN: I very much appreciate your prompt telegraphic reply to my wire yesterday inquiring as to the authority for including the league's name among those organizations listed as opposed to ERP.

I note that your authority is a statement taken from American Tariff League Topics of October 2. You will note that that statement is part of the Washington report of Dr. John Lee Coulter. Dr. Coulter is not an official of the league, and the statements made in his column are personal statements of his of an informational nature sent to members to acquaint them with the latest developments in Washington. His statement made in the October 2 issue, furthermore, relates to the then current proposal for an expenditure of $25,000,000,000 and, of course, antedates by 2 months the presentation of the ERP proposal by the President.

In view of the fact that no official of the league, to our knowledge, has made any public statement regarding ERP that would place the league on record, and since the league has not by any vote or discussion taken a position on ERP, we respectfully request that you remove the league's name from the list of organizations in the appendix to your remarks of March 13, so that the permanent RECORD will not carry the league's name.

This matter has been brought to our attention from various sources, and it would be helpful if some statement could be made in the RECORD that the league's name was included in the list through a misunderstanding. We shall appreciate anything you can do to rectify this error.

Sincerely yours,

RICHARD H. ANTHONY, *Secretary.*

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

[From the American Tariff League Topics of October 2, 1947]

WASHINGTON REPORT

(By Dr. John Lee Coulter)

EUROPEAN DISTRESS TAKES SPOTLIGHT

* * * * *

The Marshall plan

Unquestionably the most formidable series of international economic problems have finally been crystallized in what has come to be known as the Marshall plan for relief, rehabilitation, and reconstruction of the countries of western Europe.

Details of the Marshall plan are now available for those who would attempt to really comprehend what is involved. Even if a new program involving the expenditure of about $25,000,000,000 during the coming 4 years were submitted to the Congress in January, there does not seem to be the slightest prospect that it would be adopted or that it would restore prosperity and independence to the countries of western Europe or assure the ideals of peace usually associated with the outline. The details of this vast program must gradually be unfolded.

During the past 4 months the Labor government of the United Kingdom has been weighing the relative merits of discarding Empire preference systems in favor of a possible increase in American markets resulting from general reductions in tariff rates by this country.

It appears that spokesmen for our State Department were prepared to make maximum concessions to the United Kingdom and all segments of the British Empire in return for a willingness on the part of the British to reduce and gradually eliminate the complex system of Empire preferences. But the British realized that these concessions to the United States must be extended to France, Belgium, Netherlands, Sweden, Switzerland, and other European countries, and eventually to Germany, Austria, and Italy. Furthermore, concessions by the United States would not go to the British Empire alone, but would be extended to all of these other countries.

SUSPENSION OF HENRY J. ZETZER

Mr. CAIN. Mr. President, on Saturday, March 13, Mr. Henry J. Zetzer, regional rent administrator of region III, with headquarters in Cleveland, Ohio, was removed from his official duties and position by the Acting Housing Expediter, Mr. Tighe Woods. Mr. Zetzer was suspended because, in the opinion of Mr. Woods, the regional director had been guilty of endeavoring to influence legislation, and had been unreasonably critical of the Congress. These charges resulted from a confidential memorandum which Mr. Zetzer, under date of February 24, issued to members of his staff who were located throughout the five States which are included within region III. These States are Ohio, Indiana, Kentucky, Michigan, and West Virginia. Excerpts from this confidential memorandum and other comments and papers relating to the dismissal of Mr. Zetzer will be found in recent issues of the CONGRESSIONAL RECORD.

Mr. President, I received a letter yesterday from Mr. Zetzer which he wrote on March 26. He offered an explanation for the conduct which led to his having been suspended by the Acting Housing Expediter. I considered this explanation to be a weird misinterpretation of how a responsible Government official should carry out his assignment.

I hope that every Senator will examine Mr. Zetzer's letter, which I ask unanimous consent to have printed at this point in my remarks, together with my reply.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CLEVELAND HEIGHTS, OHIO,
March 26, 1948.

Hon. HARRY P. CAIN,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: On February 24 I sent a confidential letter to my rent directors which has received unfortunate notoriety. I realize that an impersonal reading of such a letter creates a different impression than that given to the recipients, who understand the purpose and know the personal traits of the writer. It is for this reason and out of a sense of Christian duty that I am impelled to offer this explanation. Perhaps this can be best achieved by quoting from a previous letter to the same persons, dated September 9, 1946:

"Again let me make it clear that these letters are intended not to be official statements, literary gems, or an effort to be funny. They are written in odd places during spare moments and necessarily contain all the literary deficiencies, the fallacious ideas, and the human weaknesses of the writer. The only claim I make for them is that they are sincere reflections of my personal thoughts on the present status of the program. I don't particularly care whether you read them, and certainly do not expect you to agree with everything I say, but for heaven's sake don't label them as propaganda."

While some of the statements in my letter of February 24 are undeniably critical of Federal legislative procedures, I want to assure you that they were made without malice and without any thought of giving personal offense. There was no intent on my part to criticize any Senator for questioning or opposing continued rent control. I sincerely believed that I had the right to point out what I regarded as a weakness in our congressional committee organization, namely, placing the burden of drafting legislation on legislators who are not in sympathy with a proposal. If my casual remarks have left any other impression, may I assure you that this was unintentional and that I meant no disrespect to you personally, nor to any other Member of the Senate.

Respectfully,

HENRY J. ZETZER.

MARCH 30, 1948.

Mr. HENRY J. ZETZER,
Cleveland Heights, Ohio.

MY DEAR MR. ZETZER: I have your letter of March 26. It was good of you to write. Because we have never seen or met each other I have absolutely no interest in you in a personal sense. When your confidential memorandum of February 24 came to my attention I referred its contents to the Senate Subcommittee on Rents and Housing and I requested the Acting Housing Expediter to study the memorandum and to state the nature of the action he thought it proper to take. You were advised of that action during the afternoon of the day when the memorandum was first submitted to Mr. Woods. I have considered the action taken by Mr. Woods to be both reasonable and fair.

It would serve no purpose for us to discuss the reasons which caused you to write the memorandum in question. In my considered opinion the position taken in your letter of March 26 is completely untenable. It simply isn't possible for you as an individual to disassociate yourself from your official position. Any confidential memorandum which is written to subordinates within an executive agency must be construed to represent the writer's official position and point of view. That any other understanding could be maintained by a responsible Government official is something I would never be able to understand.

I don't know what future action is intended in your case but I shall be extremely interested in any coming development. The record which covers your case is comprehensive and positive. It will remain available for any who are entitled to see it.

Very sincerely yours,

HARRY P. CAIN.

Mr. CAIN. Mr. President, I would urge the reader to bear in mind (a) that the confidential memorandum which caused the Acting Housing Expediter to suspend Mr. Zetzer was written on the official letterhead of region III.

(b) That there was not the slightest indication in the memorandum that the views expressed were the personal, rather than the official, opinions of Mr. Zetzer.

(c) That Mr. Zetzer considers the memorandum to have been a mere expression of his personal feelings. If this unwarranted assumption were accepted, how could Mr. Zetzer justify circulating his personal philosophy and observations at Government expense?

We have probably not heard the last of the charges which are pending presently against Mr. Zetzer. The facts in his case will probably be reviewed by competent authority. We ought to take a positive interest in whatever final action is considered and taken, because the Zetzer case will help to determine the conduct to be expected from an executive agent, and it will help to further define and establish a healthy and reasonable relationship between the Congress and executive agencies.

DECORATIONS, ETC., HELD BY RETIRED OFFICERS OR EMPLOYEES (H. DOC. NO. 583)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the Chief Clerk, and, with accompanying papers, referred to the Committee on Foreign Relations.

(For text of President's message, see proceedings of the House of Representatives on p. 3767.)

TRANSPORTATION OF PERSONNEL AND CARGO BY MILITARY AND NAVAL AIRCRAFT

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of Defense, transmitting an order issued by him on November 18, 1947, setting forth the policies governing transportation of personnel and cargo by military and naval aircraft, which, with an accompanying paper, was referred to the Committee on Armed Services.

JEFFERSON BARRACKS, MO.—RESOLUTION OF MISSOURI HOUSE OF REPRESENTATIVES

Mr. DONNELL. Mr. President, on behalf of the junior Senator from Missouri [Mr. KEM] and for myself, I ask unanimous consent to present for the RECORD a notable resolution adopted by the House of Representatives of the Missouri Legislature. The resolution, House Resolution 187, reads:

House Resolution 187

Whereas Jefferson Barracks was established as a military outpost in 1826 and has ever

since been one of the greatest historical landmarks in North America; and

Whereas the Jefferson Barracks site was for 120 years a part of the life of the citizens of Missouri, Illinois, and the Central West, thousands of citizens of said States and others have trained there and thousands more lie buried there; and

Whereas it is deemed proper and fitting that this hallowed ground be monumented to such an extent that it remain forever as a national shrine; and

Whereas Jefferson Barracks National Cemetery is now bounded by the Jefferson Barracks Military Reservation; and

Whereas we believe that it is both fitting and proper that the national cemetery be encompassed about by a national park, with its wooded grounds, to protect said cemetery from the encroachment of urban development; and

Whereas we deplore the proposed plan to sell off large portions of the site of Jefferson Barracks to private investors for private exploitation: Now, therefore, be it

Resolved by the House of Representatives of the State of Missouri, That it petition the Congress of the United States and the appropriate governmental agencies to withhold said Jefferson Barracks or any part of it from public sales and to take such action as may be necessary to create and maintain said Jefferson Barracks as a national park; and be it further

Resolved, That the present use of part of said reservation as a veterans' housing project be retained for said use until the housing emergency in this area is definitely past; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, Secretary of the Interior, United States Senators of Illinois and Missouri, Congressmen of the State of Illinois and State of Missouri; the War Assets Administration, Secretary of Defense and Veterans' Administration.

(Bohrer, Cord, Sendlein, Witte, Boederker, Underwood, and Lehmuth.)

MURRAY E. THOMPSON,
Speaker of the House.

I hereby certify that House Resolution No. 187 was adopted by the house of representatives on March 24, 1948.

[SEAL] CURTIS J. TINDEL,
Chief Clerk of the House.

Mr. President, I request that the resolution be referred to the appropriate committee.

The PRESIDENT pro tempore. Without objection, the resolution will be received, and referred to the Committee on Interior and Insular Affairs.

FEDERAL AID TO EDUCATION—TELEGRAMS FROM ARCHBISHOP RITTER AND BISHOP O'HARA

Mr. DONNELL. Mr. President, I ask unanimous consent that there be set forth in the body of the RECORD at this point two telegraphic messages, one of which is from the Most Reverend Joseph C. Ritter, archbishop of St. Louis, addressed to myself, received in Washington, March 23, 1948; the other from the Most Reverend Edwin V. O'Hara, bishop of Kansas City, addressed to myself, and received in Washington on March 24, 1948. Both telegraphic messages relate to Senate bill 472.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO., *March 22, 1948.*

Senator FORREST C. DONNELL,
United States Office Building,
Washington, D. C.:

In the public-spirited interest of 14,000 high-school pupils and the 55,000 elementary school children and their parents I respectfully call your attention to the discrimination of the Senate education bill No. 472 denying effective health to parochial-school children. Such an attitude is not in keeping with our best democratic principles educating our people regardless of religion. Our Catholic parochial schools as evidenced from numbers of children cited above warrant the interest of our legislators who represent us. Respectfully request your considered judgment on this bill.

ARCHBISHOP JOSEPH C. RITTER,
Archbishop of St. Louis.

KANSAS CITY, MO., *March 23, 1948.*

Hon. FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.:

With national defense program calling for retrenchment I oppose expenditure on behalf of self-sufficient States proposed in S. 472. Taft educational aid bill considered ineffective as measure to equalize educational opportunities and flagrantly discriminatory against 100,000 private pupils in Missouri. Respectfully request you to oppose measure.

EDWIN V. O'HARA,
Bishop of Kansas City.

Mr. DONNELL. I should like to add that a telegraphic message of like content from each of these two gentlemen has been received by my colleague the junior Senator from Missouri [Mr. KEM].

LIMITATION OF POWER OF RADIO STATIONS

Mr. ECTON. Mr. President, I am very much interested in a bill which has been introduced by the distinguished Senator from Colorado [Mr. JOHNSON]. I refer to Senate bill 2231, to limit the power of radio stations to 50,000 watts so as to provide more equitable radio service to the various communities in the United States and to prevent monopoly.

The radio broadcasters in Montana are deeply interested in this bill, and I am very happy to note that the Committee on Interstate and Foreign Commerce has scheduled hearings in the near future.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter received by me from P. B. McAdam, secretary of the Montana Association of Broadcasters, together with a resolution unanimously adopted by that association.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

KPRK,
Livingston, Mont., March 26, 1948.

Senator ZALES ECTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: As secretary of the Montana Association of Broadcasters, which includes every radio station in Montana as well as four other stations that are in construction, I have been instructed to forward to your office the resolution which was unanimously adopted by the entire group of broadcasters at a meeting held in Helena on March 8. This resolution recommends and requests your most ardent support of the Johnson bill, recently introduced in the Senate, which would limit the power of radio broadcasting stations to a maximum of 50,000 watts.

Never in the history of communications has such a giant monopoly of facilities been proposed as that of a few large organizations who are attempting to establish superpower stations that would reach every radio listener in the United States with the end result that there would be no chance for a Congressman or individual to reach the particular people in a local community as the time would not be available on a superpower station and very possibly the small stations in Montana would be out of business. Your most urgent action in obtaining support for this Johnson bill, introduced in the Senate, S. 2231, is requested. When the full import of this situation reaches the grass roots of the country there will certainly be mass support for this bill.

In the meantime we are doing everything possible to inform the people here in Montana, and broadcasters in other States, of the hazards to American citizens if this bill should fail to receive favorable action from Congress.

Thanking you in advance for your action and support of this Senate bill and awaiting your rely that may be passed on to the associate members, I am,

Sincerely,

P. B. MCADAM,
Secretary, Montana Association of Broadcasters.

MONTANA ASSOCIATION OF BROADCASTERS UNANIMOUS RESOLUTION, MARCH 7, 1948

Whereas Senator EDWIN C. JOHNSON, of Colorado, introduced, in the United States Senate on February 26, 1948, a bill (S. 2231) to limit the power of radio stations to 50,000 watts so as to provide more equitable radio service to the various communities of the United States and to prevent monopoly; and

Whereas there are not enough frequencies for every community or even every State to have a superpower station; and

Whereas the granting of superpower to any station or stations in the United States is a policy matter to be determined by Congress and not an engineering matter; and

Whereas the granting of superpower would be detrimental to many independent community stations, placing many stations in jeopardy of bankruptcy by depriving them of programs, thus depriving listeners of community radio service; and

Whereas placing superpower stations in only a few communities of the country would concentrate in a limited number of individuals a monopoly of greater economic, political and social power than should be entrusted in any individual or group in a free nation; Be it therefore

Resolved, That the members of the Montana congressional delegation are hereby asked by the independent broadcasters of Montana through their association, the Montana Association of Broadcasters, to individually or collectively call upon the Senate Interstate and Foreign Commerce Committee and upon its individual members and urge upon these men and this committee the speedy expedition of the hearings on this bill; that they urge on this committee the use of the countless volumes of testimony and briefs already taken in this matter by the Federal Communications Commission over the last 10 years; that they individually support this bill S. 2231 in its present form and urge its support and vote for its enactment on the floor of Congress.

PHYSICALLY HANDICAPPED CITIZENS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to insert in the body of the RECORD Senate bill 2319, which is a short bill to provide for a survey of physically handicapped citizens. I also wish to insert a brief explanation of the purposes of the bill.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 2319

A bill to provide for a survey of physically handicapped citizens

Be it enacted, etc., That the Director of the Census is authorized and directed (1) to make a survey of the population of the

United States to determine, insofar as possible, the number, age, and location of physically handicapped citizens; (2) to prepare and submit to the President and to the Congress a preliminary statement outlining plans for classifying citizens found to be physically disabled; and (3) to report to the Congress, within 18 months after the date of enactment of this act, the results of such survey.

SEC. 2. For the purpose of this survey, a physically handicapped citizen shall mean any citizen who, because of (1) congenital deformity, (2) injury, or (3) disease, is substantially handicapped in obtaining employment or in self-employment.

SEC. 3. To assist in carrying out the provisions of this act, the Secretary of Commerce, on the request of the Director of the Census, shall request the cooperation of the Federal Security Agency, the United States Employment Service, the United States Civil Service Commission, and other Federal, State, and local government agencies. The Director may consult with nongovernmental associations and experts in planning the survey and preparing the required report.

SEC. 4. In carrying out the provisions of this act, sections 3, 5, 7, 8, 9, 10, 11, 12, 14, and 15 of the act of June 18, 1929 (46 Stat. 21), shall be applicable.

SEC. 5. Section 4 of the act of June 18, 1929 (46 Stat. 22, U. S. C., title 13, sec. 204), is hereby amended to read as follows:

"SEC. 4. The seventeenth and subsequent censuses shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines. The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census, with the approval of the Secretary of Commerce: *Provided*, That the schedules shall include inquiries concerning the number, age, classification, and location of physically handicapped citizens."

SEC. 6. There are authorized to be appropriated such sums, not exceeding in the aggregate $5,000,000, as may be necessary to carry out the provisions of this act.

STATEMENT BY MR. JOHNSON OF COLORADO

Mr. President, I recently introduced S. 2319, a bill to provide for a survey of physically handicapped citizens. The purpose of the bill is to ascertain, insofar as may be possible, through a census, the number, age, location, and type of our physically handicapped citizens, so that we may have definite knowledge and facts upon which to base legislative and other programs in their interest.

My own concern for the welfare of our physically and mentally handicapped people impels me to say that I believe present programs must be greatly improved and expanded if we are to meet the needs. Unquestionably, when we consider that the 1947 report of the Office of Vocational Rehabilitation shows that, for that year, 51,575 disabled men and women were prepared for and placed in employment through rehabilitation processes, while, at the same time, the Bureau of Labor Statistics estimates that more than 2,000,000 Americans were injured in industry and agriculture—many of them very seriously—makes it apparent that there is a wide gap between the number of injuries and diseases, incapacitating our people, and effective remedies to restore them to working condition, if that be possible. We must deal vigorously with this situation, but, as said, as a practical proposition we must first ascertain the facts upon which to predicate remedial programs.

Senate bill 2319 has the approval of the American Federation of the Physically Handicapped, an organization well known to Members of Congress, which has national headquarters in the National Press Building, Washington, D. C., and the officers of which are, Paul A. Strachan, president; Miss Mildred Scott, secretary; Ralph A. Collins, treasurer; and the vice presidents, composing the AFPH national council.

As a part of my remarks, I am including an explanatory statement by Mr. Strachan, as follows:

"For many years, we have striven to ascertain an accurate estimate of the number of handicapped people in the United States. Public and private agencies vary so greatly in their estimates as to make it almost impossible to strike a mean, as instanced by the fact that, some 12 years ago, medical sources estimated that out of the then 130,000,000 population, some 55,000,000 were, in some degree, handicapped. In 1935–36, the National Health Survey, made by the United States Public Health Service, estimated there were, then, 23,600,000 handicapped, of whom approximately 16,000,000 were in the social-security nonbenefit ages of 16 and 60. During the recent war, Selective Service rejected approximately one out of three of the 12,000,000 examined for physical or mental defects, and it should be borne in mind that these were individuals presumably in the best years of life, from 18 to 45.

"In 1945–46, the House Labor Subcommittee To Investigate Aid to the Physically Handicapped, as well as the Senate Committee on Wartime Health and Education held extended hearings, before which experts representing various public and private agencies and organizations testified, and a summary of their estimates shows an approximate of 38,000,000 handicapped. Still more recently, the late Retraining and Reemployment Administration, of which Maj. Gen. Graves B. Erskine, USMC, was Administrator, after much study of the question, set a figure of 28,000,000 handicapped. Estimates of other agencies and organizations today vary still more widely, and such condition makes it necessary to go down to the grass roots and get the facts. The only feasible way that can be done is by a census of handicapped, and S. 2319 provides the simplest means to that end.

"Legislation now pending in Congress, dealing with many phases of the handicapped problem, calls for expenditures which total more than a billion dollars. We are not opposed to these measures, but, precedent to their enactment we believe the Congress, the Chief Executive, and the general public should have all pertinent facts as to the handicapped in our population, so that we can deal intelligently and comprehensively with this matter, and stop groping in the dark for lack of real evidence on which to base a case.

"We consider S. 2319 a vital factor in the health program of the United States and for that reason, we sincerely hope that Congress will speedily enact it, so that this highly essential work may get under way without delay."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ECTON, from the Committee on Post Office and Civil Service:

S. 2325. A bill to enable certain former officers or employees of the United States separated from the service subsequent to January 23, 1942, to elect to forfeit their rights to civil-service-retirement annuities and to obtain in lieu thereof returns of their contributions with interest; without amendment (Rept. No. 1034); and

S. 2326. A bill to repeal the Alaska Railroad Retirement Act of June 29, 1936, as amended, and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such act of June 29, 1936, is applicable; without amendment (Rept. No. 1035).

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. J. Res. 177. Joint resolution providing for participation by the Government of the United States in the Pan American Railway Congress, and authorizing an appropriation therefor; with an amendment (Rept. No. 1036).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

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

By Mr. BUCK:

S. 2406. A bill to amend the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes," approved July 2, 1940, as amended; to the Committee on the District of Columbia.

By Mr. GURNEY:

S. 2407. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 2408. A bill for the relief of Arthur O. Fisher; to the Committee on the Judiciary.

By Mr. CAIN:

S. 2409. A bill to amend an act entitled "An act to provide revenue for the District of Columbia, and for other purposes," approved July 16, 1947; to the Committee on the District of Columbia.

By Mr. LANGER:

S. 2410. A bill for the relief of Rosina Reda; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2411. A bill for the relief of Gabel Construction Co.; to the Committee on the Judiciary.

By Mr. WHERRY:

S. 2412. A bill to protect the people of the United States against infiltration by Communists and Communist-front organizations; to the Committee on the Judiciary.

THE PLACE OF COOPERATIVES IN AMERICAN AGRICULTURE—ADDRESS BY SENATOR AIKEN

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an address on the subject the Place of Cooperatives in American Agriculture, delivered by him during Farm and Home Week at Ohio State University, Columbus, Ohio, March 23, 1948, which appears in the Appendix.]

OLD-AGE INSURANCE—ADDRESS BY SENATOR MURRAY

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an address on the subject of old-age insurance delivered by Senator MURRAY on March 26, 1948, which appears in the Appendix.]

PALESTINE REVERSAL—EDITORIAL FROM DENVER POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial entitled "Reversal on Palestine Declared Betrayal," written by David R. Uchill, and published in the Denver Post, which appears in the Appendix.]

SIX-YEAR PROGRAM FOR MISSOURI RIVER BASIN

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a 6-year program for the Missouri River Basin, as pre-

pared by the Missouri Basin Interagency Committee, which appears in the Appendix.]

AN AMERICAN PLAN FOR WORLD PEACE—INTERVIEW WITH SENATOR PEPPER

[Mr. HOLLAND asked and obtained leave to have printed in the RECORD a radio interview of Senator PEPPER, by Charles Parmer, on the subject An American Plan for World Peace, which appears in the Appendix.]

MEETING OF SUBCOMMITTEE OF JUDICIARY COMMITTEE

Mr. KNOWLAND asked and obtained consent that the subcommittee of the Judiciary Committee considering Senate bill 826 be permitted to meet during the session of the Senate today.

AID TO CHINA

The Senate resumed the consideration of the bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

The PRESIDENT pro tempore. The question before the Senate is the China relief bill.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

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

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY] is unavoidably detained.

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

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from West Virginia [Mr. KILGORE] is absent because of serious illness in his family.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate.

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

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

The PRESIDING OFFICER (Mr. CAIN in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I present S. 2393, a bill to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China. It is recommended by a unanimous vote of the Committee on Foreign Relations. It is supported by every American instinct to sustain independent governments against aggression, and free peoples against conquest. It is sustained by the rich, historic tradition of American friendship for the Chinese people. Its advisability, at this critical moment in the story of human rights and fundamental freedoms, is so unavoidable that I believe it unnecessary to do more than report the basic facts, and then to take the Senate's decision.

If the Senate shall find it possible, Mr. President, to vote promptly, we shall meet the parliamentary situation created by the omnibus relief bill in the other House. We can then anticipate the adoption of a final and total conference report this week end in both Chambers. Congress will have thus demonstrated to an anxious country and a distraught world how democracy can function, when time is of the essence, in behalf of the hopes by which free men live. I am sure that even those of my colleagues who oppose these relief programs will readily agree that if the programs are to be launched at all, they should be launched in time to serve their maximum advantage and enjoy their maximum chance.

Therefore, Mr. President, I come directly to the point.

China was one of the heaviest sufferers from the bludgeon blows of World War II in which she was our ever-faithful ally against the Axis—bearing the cruel brunt of Japanese attack and ruthless occupation, yet always refusing all appeasing opportunities for a separate and expedient peace. The victory against the Axis, however, did not end her grueling jeopardy. The fruits of victory turned to ashes on her lips. She has since been riven by civil war in which her Government has been under constant and powerful attack by armed Chinese Communists—a major victim of that conspiracy of aggression which undermines the peace of this unhappy earth.

The accumulation of these strains—first, 8 years of war; second, long Japanese occupation; third, Communist rebellion—would have long since broken a people less devoted to their ideals, and a chief of state less grimly tenacious than Generalissimo Chiang Kai-shek. I pay my humble but deepest respect to the tremendous patriotic labors and to the seasoned integrity of this great and courageous leader, who has sustained his responsibility for democratic ideals, through thick and thin, against overwhelming odds. Come what may, I give him my hopes and prayers for his success in behalf of a liberated China and the progressive freedoms of a liberated Chinese people.

Mr. President, the wonder is not that all these pyramiding burdens and all these accumulated hazards should have driven hard-pressed China to the brink. The wonder is that prior crises have not been able to break her intrepid spirit to carry on. We would be inexcusably less than frank if we did not admit that, as of the moment, the situation is touch and go. But, in my view, we would be inexcusably less than loyal to our own objectives if, at such a moment, we did not do what lies within our power, taking account of our other responsibilities, to help sustain and to encourage the Chinese Government and the Chinese people to reject aggression and to sustain their independence.

The Chinese Nationalist Government has long been recognized by the United States. It has been recognized by every member of the United Nations where China sits as a permanent member of the Security Council. And this is important—it was specifically recognized by Soviet Russia in 1945 when the Kremlin agreed "to render to China moral support and aid in military supplies and other material resources, such support and aid to be given to the National Government as the Central Government of China."

This pledge has been honored only in its breach. Instead, Soviet Russia, for example, has stripped Manchuria of vast industrial equipment estimated at a value as high as $2,000,000,000. It has rendered none of the moral support or material aid it promised. On the contrary, although its direct connection with the Communist civil war is debated in some quarters, it is difficult for realists to make this discrimination—in the light of known infiltration and known subversion, among other things. While the National Government has taken initial steps toward practical democracy through the promulgation of the constitution and the election of a National Assembly, the Chinese Communist rebels aim at totalitarianism; and the Chinese Communist propaganda has been bitterly anti-American and directly follows the Moscow party line regarding all American policies. Not all rebels are Communists. There is the familiar coalition with other antigovernment reformers. I underscore the word "familiar." But all Communists are rebels; and there can be no doubt as to the overriding character of this civil war. In any event it is aimed at that Government in China which has shed its blood, sweat, and tears against aggression and dictatorship for more than a decade. It is aimed at that Government in China which is recognized by every other power on earth, and which asks our help in its extremity. It is to this Government and this people that the pending bill again proposes to extend American succor in response to prayers for aid.

If and when we respond, Mr. President, to this plea, we are serving more than the humanities—great though these be amid a people with whom we have had long and vast cultural, educational, and religious ties. We are serving more than our traditional foreign policy which

never has failed to speak up for the integrity and the independence of China ever since our first treaty in 1844—particularly remembering Secretary of State Hay in 1900 and Secretary Stimson in 1932. We are also serving, Mr. President, our own unavoidable self-interest in international peace and security in an enormous far-eastern area which peculiarly involves the welfare and the future of the United States. Certainly no bill of particulars is necessary upon that score. Congress itself has been too obviously tender and receptive to this theme in recent months to require any further argument.

This bill is our latest answer to these specifications and these demands. It puts the China program on the same timetable as the European program, taking the relative figure for 12 instead of 15 months, so that all these programs may confront simultaneous review next January. It thus authorizes an appropriation of $463,000,000. This sum is divided two ways. First, it makes $363,000,000 available for carefully screened relief and rehabilitation under the applicable provisions of the Economic Cooperation Act of 1948, including the usual bilateral agreement with China, and under the general direction of the Administrator of that act. Second, it makes an additional $100,000,000 available as a grant on such terms as the President may determine. This can be used at China's option for military purposes and in the purchase of urgently needed military supplies. It is believed that this can greatly facilitate the delivery of our own surplus military supplies, at China's option, in the far-eastern area.

The Committee on Foreign Relations wishes to make it unmistakably clear, in this, as in all other relief bills, that there is no implication that American aid involves any continuity of obligation beyond specific, current commitments which Congress may see fit to make. This understanding is necessary in all foreign-aid legislation, not only in elementary prudence as respects our own resources, but also in justice to those whom we assist. We do not—we cannot—underwrite the future. Events are unpredictable in this tragically fluxing age. It is a duty to underscore this reservation in the case of China because we find here many imponderables as a result of the military, economic, and social pressures which have understandably undermined her stabilities, and prevented or postponed the internal reforms which even her surest friends readily concede to be not only desirable but essential for the Chinese people and for the Nationalist government. But reforms without survival would be a disillusioning mirage.

Gen. Chang Chun, President of the Executive Yuan of the Nationalist government, frankly and courageously spoke of these necessities in a sturdy statement last January, from which I quote:

> The Chinese Government fully recognizes that, in order to secure the maximum benefit from external aid, an adequate and practicable program of domestic measures of self-help is needed. This program should at the beginning lay stress on financial and economic measures of immediate importance which will be followed or accompanied by certain other reforms in the fields of general administration and military reorganization.

General Chun then listed 10 of these vital necessities, and they are in the report which is on the desks of all Senators. They are more than ordinarily difficult of achievement in a country the size of China, comprising one-fifth of the world's population. By the same token, the greater will be the glory of such efforts. The recognition of these necessities by the Nationalist Government itself is one of the stimulating and hopeful factors in this equation. The best friends of China will urge the relentless pursuit of these healing objectives. It is simple candor for us to take account of these facts as we turn again to China's assistance. But it would be a cruel distortion of paramount facts to subordinate the central purpose of this legislation to an overemphasis upon the difficulties and the handicaps which the Nationalist Government must overcome in these respects. The preservation of China's independence is prerequisite to the preservation or attainment of everything else. Liberty is prerequisite to progress.

Now I return briefly to the bill itself.

We cannot deal with the Chinese economy on an over-all basis, as we have done in the European recovery program. China is too big. The problem is too complicated. But we can serve some key needs with great effectiveness; and, in the unanimous opinion of the Foreign Relations Committee, we should and we do, under this proposed legislation. For example, we propose to help in respect to a probable food deficit of 2,000,000 tons for the coming year, having constantly in mind that China has so drained her foreign exchange that she will be hard pressed to procure essential imports needed for the continuation of her basic civilian economy. The tentative breakdown of relief commodities is also shown in the revised committee report which is on the desks of all Senators. Limited appropriation, perhaps $60,000,000, is contemplated for key reconstruction projects. All commodities will be distributed, and all projects will proceed under the strict supervision of the Administrator of the Economic Recovery Act, and all applicable requirements of that act will be invoked; although, of course, it is clear that China cannot be tied in with the 16 European nations in this connection.

I turn now to the question of military aid. By way of background, I report the current military status in China. Because of shifting controls in disputed areas, it is impossible to be accurate. These are general estimates. The Chinese Communists control perhaps 25 percent of the total area of China and perhaps 33 percent of the population. The strength of the Communist armed forces is estimated at 1,150,000 regulars and 2,000,000 local militia. The Nationalist government announced 6 months ago that its armed forces numbered 3,800,000 men.

As in the case of Greece and Turkey, your Committee on Foreign Relations recognizes that military aid is necessary in order to make economic aid effective. It proposes to make military supplies available, at China's option. For this or any other purpose, at China's option, a grant of $100,000,000 is included in the bill. This implements a heavy program of transfers of military surplus, at nominal prices, already under way, and to be extended. Your committee believes, as a matter of elementary prudence, that this process must be completely clear of any implication that we are underwriting the military campaign of the Nationalist Government. No matter what our heart's desire might be, any such implication would be impossible over so vast an area. Therefore, for the sake of clarity, we prefer to leave the initiative, in respect to these particular funds, in the hands of the Nationalist Government. The current net result is no less effective. We want it to be no less effective. But we also want no mistake about the nature of our obligations. Congress must retain freedom of decision as events may recommend.

Under another law, the United States will continue to furnish military advisers to the Government of China at her request. At the present time this group consists of 572 officers and 921 enlisted men. This includes military police and weather and air transport personnel. None of this personnel commands Chinese troops nor engages in combat. Their capacity is advisory only. Combat units of American troops definitely are not involved. Nothing in the pending bill alters these limitations on these plans in any aspect.

I believe, Mr. President, this covers the essence of this legislation. I conclude, therefore, as I began. For many years the United States has been deeply concerned with the maintenance of the integrity and the independence of China, factors unmistakably essential to peace in the Far East. That integrity and that independence have been threatened for a tragic decade, but never more so than in this apprehensive hour which sees aggressive communism on the march all round the globe. We must providently choose our ground in this over-all contest lest our zeals shall overreach our resources. But we would deny our traditions, our history, and our objectives if we failed this present response to the current needs of China.

I renew the hope, Mr. President, that the Senate will find it wise and profitable to pass this bill with least possible delay so that a final conference report on this entire peace program may light another torch of liberty before this week end wanes.

The PRESIDING OFFICER. The bill is open to amendment.

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

Mr. VANDENBERG. I yield to the Senator from Oregon.

Mr. MORSE. I want to say, before I ask the Senator certain questions, I am happy again to assure him that I find it possible to follow his leadership on foreign policies in the Senate.

Mr. VANDENBERG. I thank the Senator.

Mr. MORSE. I accept as sound the major premises which the Senator has

laid down in his speech. However, I think it of importance that, as we proceed to discuss the bill the Senator is offering the Senate, we seek to find the answers to certain questions which I am sure are perplexing millions of American citizens in regard to our relations with China.

I represent a west coast State. We on the west coast are very much concerned about Pacific problems. We are very close to China, and because of our closeness to China I think we are more aware in certain particulars of some of our Pacific problems than are many people in other sections of the country. I think the American people, certainly those who live in the West, want answers to certain questions which involve great doubt in their minds as to what the factual situation is concerning relief we have already given to China. So, I want to repeat a question I asked the Senator from Michigan some months ago—I think it was during the special session of the Congress last November—whether or not the Foreign Relations Committee of the Senate is at this time fully familiar with the contents of the Wedemeyer report made to the President of the United States.

Mr. VANDENBERG. I do not think the committee has had the full report submitted to it. We have had an analysis of the report submitted to us.

Mr. MORSE. On the basis of the analysis of the Wedemeyer report, would the distinguished Senator from Michigan say at this time that he believes the relief supplied by the United States to China, even since VJ-day, has in large measure gone to the aid of the common people of China?

Mr. VANDENBERG. An answer to the Senator's question requires a bill of particulars in respect to the question. The interest of the common people of China, in the judgment of the Senator from Michigan and, I am sure, in the judgment of the Senator from Oregon, rests first and fundamentally upon the maintenance of China's independence and the right of autonomy and self-determination. To whatever extent the aid furnished since VJ-day has therefore either encouraged or helped sustain the Nationalist Government, I would say the answer is "yes," that it has been to the advantage of the people of China. Insofar as a break-down which would pursue the aid to specific objectives is concerned, I am afraid I cannot answer the Senator's question.

Mr. MORSE. On page 11 of the committee's report, section 15, at the bottom of the page, I read this paragraph:

> Ambassador Stuart, on February 19, 1948, stated that the China-aid program "was designed to benefit the common people." The committee repeats that the Administrator is under obligation to see that this actually takes place—in the rural districts as well as in the relatively few urban sections. The end use of American dollars in China is a primary obligation on the Administrator and the Chinese Government.

During the course of the Senator's excellent speech this afternoon he particularly emphasized the obligation resting upon the Administrator or the administration of the aid program, to see to it that the aid we now propose to give China goes to the common people of China. I think the Senator can put me right if I am wrong, but I assume that not only the paragraph in the report which I have read but the emphasis with which the Senator discussed this particular problem in his speech is probably based upon the fact that he, too, as chairman of the Foreign Relations Committee, has heard testimony, as I have heard representations made to me, that too much of our funds and too many of our supplies which have gone to China in months past have not accrued to the benefit of the common people. Does the Senator think I am wrong in that observation?

Mr. VANDENBERG. I have no doubt in the world of the almost imponderable difficulties involved in the type of relief distribution in China which the Senator from Oregon and I both desire to see exist. Neither have I any doubt that there has been a progressive disintegration, as a result of the accumulated pressures in the last 8 years, in the adequacy of the system under which relief has been distributed. But my belief is that the clear and specific controls which are contemplated under the Economic Cooperation Act and which are contemplated to be extended to the distribution and control of supplies under this bill, will reduce to a minimum whatever hazard of the nature to which the Senator refers may exist.

Mr. MORSE. Were any representations made to the Committee on Foreign Relations by any witnesses as to the effect of black markets, corruption, bribery, pilferage, and tremendous waste which have characterized much of the distribution of relief supplies in China?

Mr. VANDENBERG. We had available to us the entire record taken by the Foreign Affairs Committee of the House of Representatives, and there can be no doubt about the complete, or almost complete, disintegration of the Chinese fiscal system. I think that perhaps as of today the American dollar is measured in the equivalent of 500,000 Chinese dollars. Under such circumstances black markets are inevitable. It would be a unique situation if China were free of black markets, when we know that the entire European area, which is struggling back to its feet, is similarly cursed with black markets. I should think that the black-market curse in China is greater than that in any other place in the world, in view of the fiscal-exchange relationships to which I have referred.

Mr. MORSE. If the Senator will permit me to make a brief comment on which I wish to base my next question, I should like to say that I have yet to interview the first American who has returned from China after extended observations in China who has not told me that in almost every part of China in which he or she traveled he or she found persons actually starving, and yet sometimes within the block, or around the corner, or two or three blocks away, there would be on the street for sale at black-market stands a good cross section of the various supplies we have been sending to China for the aid of the common people. Such reports have been so consistent and so uniform that I think they have added much to the query which I think is being asked all over America today, namely, what assurance have the taxpayers of America that by spending more and more millions of dollars for food and supplies for relief in China they are doing anything more than again filling the pockets of the group which is today in charge of the Nationalist Government of China?

I may say to the Senator from Michigan that I am not at all fearful of successful contradiction of those reports, because I think the evidence is overwhelming that the distribution of American relief supplies to China in months past has practically broken down, so far as aid to the common people of China is concerned.

On the basis of those reports I am convinced that something must be done this time to make clear to the National Government of China that it must do everything possible to cooperate with us in ending the type of waste, graft, and corruption which these reports uniformly indicate prevail at the present time in China. We must have assurance that there shall be an improvement in the distribution of our supplies. So I ask the Senator from Michigan if I am correct in assuming that his committee's answer to the problem is to be found in the language on page 11 of the report, where it is pointed out, starting with the last word on that page, and then going to the top of page 12—

> The committee repeats that the Administrator is under obligation to see that this actually takes place—

Meaning, I assume, that this time we are saying to the National Government of China: "We shall insist that this relief go to the aid of the common people of China."

Am I correct in that assumption?

Mr. VANDENBERG. I think the Senator is totally correct in the very earnest dedication of the committee to that objective. I should like to comment a little further on the Senator's question, if he will permit me. I call his attention to the language of the committee report, on page 5, which frankly indicates that China's economy has deteriorated steadily since the defeat of Japan. Then I call attention particularly to the next sentence:

> The destruction of communications has isolated the resources from the centers of consumption and the ports.

I think that our committee was greatly impressed by the fact that among the other major difficulties confronted in achieving the precise result to which the Senator appropriately dedicates his hopes is the very general break-down in communications which makes it difficult to operate the most well-meaning plan that could be devised. It is for that reason, I say to the Senator from Oregon, that among other contemplations in the pending plan is the restoration of one major railroad line of communication which will greatly, it is hoped, reduce this particular handicap.

I think that in speaking of the necessity that this relief shall accrue to the advantage of the common people of China

we cannot, as realists, ignore the utter size of the problem, the almost unbelievable area involved, and, above everything else, the break-down of all the instruments of communication, so that the worthiest purpose in the world confronts high difficulty in achieving these aspirations.

The Senator will find on page 17 of the report the full text of the agreement covering interim aid to China, and I think he will find in the requirements of that agreement, set down in black and white, the answers to many of the things which the Senator wants to see done. I can give him no assurances as to net results, because I can give the Senator no assurance, to begin with, as to what the plans of the Politburo may be for the next 20 minutes.

I can give the Senator no assurances as to net results respecting the vicissitudes of climate, and the like, in respect to native crops. I can give the Senator no assurances that the habits of a thousand years in this area are to be made over as a result of the legislation we are proposing. But I can give the Senator assurance, born of what I consider to be the very brave statement and action of General Chang Chun, president of the Executive Yuan of the Republic of China, which the Senator will find set out in some detail on pages 12 and 13 of the report. I am sure that statement of itself will give the Senator substantial reassurance regarding the attitudes of the beneficiaries of the plan. I can certainly give the Senator every assurance in the world that the administrators of the program will find themselves under an irresistibly compelling obligation to undertake to the maximum degree the objective which the Senator very rightly underscores.

Mr. MORSE. I think it is the last assurance that is of most importance in this discussion.

Mr. VANDENBERG. I think it is, too.

Mr. MORSE. The other assurances about which the Senator spoke I could not expect him to give to me, but in the course of his major remarks this afternoon—and I think this bears on one of the last observations he made—he did make the point, and I paraphrase him, that we have to look, of course, to our own economic resources to see how far we can go in our national relief program for China and other countries.

Mr. VANDENBERG. At all times.

Mr. MORSE. The Senator now points out that when we take into account the vastness of China, both from the standpoint of territory and from the standpoint of population, we cannot hope, of course, to bring to the common people of China all the aid that is going to be needed by them to eliminate the terrible economic and social conditions which exist in China.

Let me make a statement to the Senator, which I make only because I think reemphasis of the point is important in this debate in view of the perplexity which confronts the American people today with regard to the situation in China. After VJ-day we gave many millions of dollars' worth of war supplies, much of it consisting of food, clothing, and equipment, which could be used to sustain large numbers of the common men and women of China against the vicissitudes of the elements. Such supplies covered many acres of land in the various islands of the Pacific. And what happened? I think the American people should know some of the facts as to what happened in regard to those supplies. Many of them deteriorated and rotted, and were never moved off the islands.

A national corporation of the Chinese National Government was formed, and many of those supplies, particularly heavy machinery and machinery that could be used in logging, road construction, and the like, have been sold back to American taxpayers at prices considerably higher than the prices which were charged for similar machinery by our own Surplus Property Administration. At least I have received such information and representations from several American sources. However I want the facts about this matter, because if that is true, it needs to be looked into.

I wish to say for the record that I have asked the State Department to give me a full report, and what evidence they have, as to the operations of this Chinese corporation in selling back to American taxpayers millions of dollars worth of property which we gave to China after VJ-day. The dollars obtained by the Chinese National Government from those sales of supplies should be taken into account, it seems to me, when we compute and sum up our financial relief to China. I think we have to take into account the administrative policies which have been followed by this Chinese corporation in the disposal of American surplus property. I do not think it is fair or proper that certain political cliques or favored Chinese business groups should be allowed to make profits out of American relief supplies or American gifts to the Chinese people.

I am sure the Senator from Michigan will agree when I say there is great danger that what I say may be looked upon as an unfriendly act on my part toward the National Government of China. No one in this body, including the Senator from Michigan, has greater appreciation of and respect for the fight for freedom which the Chinese National Government waged during the Second World War than I have. However, I cannot condone what I understand have become totalitarian policies of the Chinese National Government in recent months.

In his remarks, the Senator from Michigan suggested that not all the rebels against the National Government are Communists, but that all the Communists are rebels. I agree with that observation in view of the reports I have received from China. I think it is proper to point out at this time that, at least from such reports as I am able to obtain, from people who I am satisfied are reliable, loyal Americans who have been living in China, some of whom have returned to this country, some of whom are still writing from China—there is growing resentment in China, on the part of people who are not Communists, against the practices of the National Government in China. The result of growing opposition to the National Government on the part of people who are not Communists is that a great many Americans are raising the question today as to whether, from the standpoint of totalitarianism, from the standpoint of governmental regimentation and dictation over and of the rights of the people, there is much difference between the policies of the generalissimo and the policies of other totalitarians.

I do not think we can run away from this rising doubt as to what the governmental policies of the Generalissimo are with respect to the principles of freedom which we are defending the globe around. I think there is a responsibility resting on our Government to make perfectly clear to leaders of governments who seek our aid that there are certain basic principles of freedom which they must support if they hope to have our aid, and there is none greater than the guaranty of freedom of choice to the rank and file of the people of a given country. I would ask the question, not of the Senator from Michigan, but a rhetorical question, How much freedom of choice is there in China today, even under the Chinese National Government?

The principles I have mentioned are precious. I for one say that I think it is incumbent upon the State Department of the United States to make very clear that in this fight for freedom and the dignity of the individual, including all the civil rights that go along with that dignity, we are not going to support Fascist governments or Communist governments.

Mr. PEPPER. Mr. President——

Mr. VANDENBERG. Mr. President, before I yield, I should like to make one comment upon what has been said by the able Senator from Oregon. I do not think we find ourselves in any fundamental disagreement.

Mr. MORSE. I am sure we do not.

Mr. VANDENBERG. The Senator from Oregon supports the pending proposal, I am sure, for substantially the same reasons that actuate me in my support of it.

No member of the Committee on Foreign Relations, I am sure, would undertake to say that the situation in China is comparable, in respect to the terms of democracy as we understand the word, with democracy as it is understood in those areas where it has been a reality for a much longer time.

It seems to me, I suggest to the Senator, that our judgments have to be relative in connection with the question of practical democracy. The Senator chose a phrase, which I particularly liked, to symbolize his entire objective. His phrase was, "the preservation of the freedom of choice."

Mr. President, I think that is an excellent trade-mark for this entire discussion—freedom of choice. I would say to my friend from Oregon that since, in my opinion, the Nationalist Government has created the first constitution in the history of China, since it has created a constitution which is written in terms of

complete democratic aspirations, since this has been done for the first time in the life of a nation that I suppose has lived for five or ten thousand years, here is proof, relatively speaking, that there is a dedication to freedom of choice for the common people of China to a degree at least which has never heretofore been apparent.

I doubt whether that freedom of choice could possibly exist, in the terms that we in America would attach to the words, in any of the nations which are just coming into their first realization of the fruits of organized democracy. I agree that every emphasis upon freedom of choice must be made in our dealings with any government which we are undertaking to assist.

But we must—and at this point the Senator from Oregon would not for an instant disagree with me; I know him much too well—look at the other alternative in respect to freedom of choice, and in the opinion of the Senator from Michigan there will be no freedom of choice left to the 400,000,000 people of China if it falls behind the iron curtain of communism.

It seems to me at the moment, since there is a Nationalist Government, doubtful as some of its characteristics may be in terms of western morality—since there is a Nationalist Government which for 20 years has carried on the inspiration of Dr. Sun Yat-sen in seeking to bring the Chinese people to a better day; since there is a Nationalist Government that has written a democratic constitution; since there is a Nationalist Government that has called free elections, and since the alternative at the moment is the total loss of any freedom of choice for any except those Communist autocrats who would control the conquest of China, I respectfully suggest that even on the basis submitted by my able friend from Oregon, those of us who are devoted to freedom of choice, those of us who are devoted to human rights and fundamental freedoms, find ourselves completely justified in supporting this effort for whatever it may be worth to encourage, under appropriate auspices, those who are struggling to preserve and promote freedom of choice for the Chinese people.

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

Mr. VANDENBERG. I am glad to yield to the Senator from Oregon.

Mr. MORSE. The Senator has been very kind to the Senator from Oregon in yielding so graciously. If the comments just made by the Senator from Michigan were put in the form of a motion the junior Senator from Oregon would be pleased to say, "I second the motion."

Mr. VANDENBERG. I am sure the Senator would.

Mr. MORSE. And it is because of that fact, that I find it possible to vote for the legislation the Senator from Michigan recommends here this afternoon.

Of course, there is no question about the fact that the present paper writing, the present paper constitution of the National Government of China is one of the benefits that the Chinese have reaped from the great idealism and the great life and service to the Chinese people of Dr. Sun Yat-sen. But the Senator from Michigan, I know, is well aware of the difference between a paper constitution and putting the principles of that constitution into practice. We have yet to learn that coalescent here in America. So we cannot be too critical of the shortcomings of putting some of the ideals of Dr. Sun Yat-sen into practice in China.

The only caution I sought to indicate here today was a caution to my Government—and I think it is a warranted caution—that we must make very clear to the National Government of China that there is much evidence to bear out the allegation that freedom of choice for which we are fighting and for which we are standing in the world today is not being granted to the degree that an ally of ours in a fight for liberty the world around should grant. That is the only major point I am trying to make.

I agree with the Senator from Michigan that once China falls behind the iron curtain of communism there is no liberty at all. But if she becomes a completely Fascist state—and I am satisfied she is more Fascist today than democratic—there will be no personal liberty for the people of China. It will be lost to the same degree under fascism as it would be lost under communism.

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

Mr. VANDENBERG. I yield to the Senator from Florida.

Mr. PEPPER. In view of the enlightening discussion between the able Senator from Michigan and the able Senator from Oregon, and in order that it may be made clear that we are defending principles to which our people subscribe, I wonder whether the able chairman would accept an amendment to the bill: that its provisions and benefits shall not become available until the Secretary of State shall have found that at least the essential basic elements of democracy shall exist in the Nationalist Chinese Government?

Mr. VANDENBERG. Mr. President, the Senator knows the answer to his question before he asks it. He is laying down a rule of generalities which it would be totally impossible either to identify or to enforce.

Furthermore, the situation which we confront at the moment, in the judgment of the Senator from Michigan, is something of an emergency situation involving the far more fundamental question as to whether or not the masses of the Chinese people shall have a further chance to pursue the things which the Senator wants the Secretary of State to underwrite as having already occurred.

Before I forget it, may I say something personal to the Senator from Florida?

Mr. PEPPER. The Senator will be very glad to have it.

Mr. VANDENBERG. The Senator from Florida and I have fundamentally disagreed upon a good many phases of this problem, and I have been greatly disturbed sometimes in listening to him that his observations would afford perhaps unintended encouragement to some of the enemies of this country. I want to compliment the Senator from Florida upon the statement which he made last week end, because he made the record immutably clear that he is not an apologist for aggression by Soviet Russia, and that his pleas for approaches to peace, which my heart completely reflects and underscores, are not uttered in terms of any sort of appeasement of Communist aggression. I am grateful to the Senator from Florida for having made that statement.

Mr. PEPPER. Mr. President, the able Senator from Michigan, knowing that there is no one in this Chamber or in this country for whose opinion, especially for whose approval, I am more solicitous and grateful, knows that he has my utmost thanks for the generous words he has just uttered.

Mr. President, I asked the question I asked a moment ago because I think it is very vital that we make it clear that we stand for two things. First, we stand at some Armageddon and say, "Beyond this point we will not retreat." We say that to all aggressors everywhere. I think that might be a statement of one side of our policy, but we must be unmistakably clear and put equal emphasis upon our declaration that we also have certain regard for principles. We must be very sure that we do not identify ourselves with any questionable motive, or any questionable group, or any questionable attitude. So long as we are certain in our consciousness that we are right, and that we are associated with those who desire only to protect and defend the right, then I have no qualms about our course. That is the reason I think it is important that we make it clear, as the Senator from Oregon [Mr. MORSE] did a moment ago, that while we do not stand with Communists, we do not stand with Fascists, either, and that we do not stand with elements which are corrupt, or with those who have denied democracy to their own people. Let us associate ourselves with the democratic element, and say, "Yes; we will stand behind you against any kind of aggression or encroachment." But when we defend people who are not easily defensible, and governments whose defense has brought embarrassment even to this distinguished committee, if the record may be taken into account of what it said in its first report, and the modification of its report in the second instance, would we not a thousand times over strengthen our position if we were to lay down conditions which even our friends must meet if they are to receive our aid?

I distinguish the case of China from other cases. Even in Greece, where I believe the situation has not been altogether up to our standards, before we undertook to render aid we were able to point to an election which had been held, an election which had been examined by American observers as well as the observers of other countries. I have heard the able chairman declare upon this floor that that gave a degree of integrity to the Greek Government, even

if it were monarchical in character, that it would not otherwise have possessed. We could say to the world that there was an election, that the people had an opportunity to vote. Our representatives scrutinized the vote, and they stated that it met moderate standards of adequacy. Consequently, we said, "Until there is a change, we will support this government."

But no sooner had we started our aid program in Greece than—I dare say due to our pressure—there was a so-called liberal government in power. It was a coalition government, but there was a displacement of the reactionary government, and there was the installation of the government of Sophoulis, who was the leader of the so-called liberal party. Today our aid is being given under this allegedly liberal government. I dare say our representatives are there to observe that there is some decent respect, at least, for the basic, fundamental principles of democracy.

We did not have to lay down those conditions in western Europe. The people there have been democratic in character and sentiment for a long time. They have been accustomed to free elections. So we are not embarrassed in aiding governments which have the essential, basic elements of democracy, as the governments in western Europe have. In the so-called Marshall-plan group, we have the satisfaction of knowing that the people of the countries affected have for a long time stood for and observed and loved the basic elements of democracy.

Can we conscientiously say that that same condition exists in China? Is Chiang Kai-shek's government the one to which we wish to attach our flag and say it is ours as well as his? I thought we had been told time after time that if we were giving the money we could impose conditions. If we are to make it impossible for Communists to participate in our aid, as we do, then can we not eliminate those who are on the other side, on the extreme right, the Fascist-like side, especially when before mankind there is so much question as to their integrity, let alone their philosophic acceptability?

So it seems to me that the moral background of our whole aid program would be immeasurably strengthened if we were to lay down the condition that, while we are not going to yield to the aggression of communism, we are not going to embrace as brothers the Fascists or those who have philosophies of government which are not basically and essentially democratic in character.

Therefore I ask the question not to be capricious or captious, but in the utmost seriousness, whether the Senator might think it possible that we could lay down some condition of basic essentials of democracy which had to be met before the Government of China could get the benefit of this aid.

I thank the Senator for his kindness and indulgence.

[Manifestations of applause in the galleries.]

Mr. VANDENBERG. Mr. President, I think I have answered the Senator's question.

The PRESIDING OFFICER. The Chair reminds the occupants of the galleries that demonstrations of any kind are not permitted, for the very obvious reason that they impede and obstruct the seriousness of the debate which is presently taking place on the floor. Cooperation from each of you as individuals will be very much appreciated.

Mr. WHERRY. Mr. President, I should like to submit a question to the distinguished Senator from Michigan.

The bill provides, does it not, for $100,000,000 which might be used for military assistance to China?

Mr. VANDENBERG. At China's option.

Mr. WHERRY. Has anything happened since Secretary Royall testified before the committee which would further justify the $100,000,000 appropriation, at the option of the Chinese Government, for the purposes now set forth in the bill?

Mr. VANDENBERG. I do not think I catch the purpose of the Senator's question. What is the relationship of Secretary Royall to this question? If I can understand that, then I can better understand what the Senator is getting at.

Mr. WHERRY. I should like to lay a foundation, if the Senator does not mind.

Mr. VANDENBERG. Certainly.

Mr. WHERRY. We were told time and time again on the floor of the Senate that the passage of the ERP program was the economic approach; that if we passed the European recovery program without in any way reducing the appropriations we had a right to believe, upon the facts which had been presented up to that time, that we could stop communism with dollars, and that it would not be necessary to implement European relief by any other means.

Mr. VANDENBERG. May I interrupt the Senator to say that the Senator from Michigan never said at any time or at any place that we could stop communism with dollars.

Mr. WHERRY. The distinguished Senator from Michigan did say time and time again that he would not guarantee that it could be stopped with dollars; but I submit to the distinguished Senator that the approach which was made in the ERP program was the economic approach, rather than implementation by force, military alliances, and so forth. Is not that correct?

Mr. VANDENBERG. That is correct; and the Senator is also correct in saying that it was repeatedly urged that the economic program, if given a fair chance, might very well avoid the necessity for moving on into the other category to which the Senator refers.

Mr. WHERRY. I did not mean to argue about the foundation or the premise. I am in this position: It was my feeling, at the time the European recovery program was discussed and considered on the floor, that appropriating the money would simply represent a continuation of appropriations in the attempt to stop communism, which plan had failed in prior years. I think the Senator heard me make that statement.

Mr. VANDENBERG. Mr. President, I think I now sense the Senator's question, and I think I can answer it. The Senator asks whether anything has happened since Secretary Royall testified to change the situation.

Mr. WHERRY. First, I should like to know about China. It was my understanding then, and up until the time the ERP program was passed in the Senate, that the economic approach was all that was necessary in the opinion of those who testified up to that time. I am not speaking of what has happened since. The question which I finally wish to get to is this: Has the situation changed? Shortly we shall be called upon, if the reports we receive from the Armed Services Committee hearings and from the press are true, to proceed in other ways. We know that not only shall we proceed by means of the economic approach, but that apparently it is becoming necessary to implement the economic approach with other measures, including rearmament provisions here and possibly the draft and universal military training, and so forth. So I ask the distinguished Senator from Michigan this question: What, if anything, has happened, since the presentation of the European relief program and since the testimony of Secretary Royall, which would justify any approach other than the economic approach, either to China or to any of the participating countries in Europe that are to be the recipients of the European relief program?

Mr. VANDENBERG. I fully understand the Senator's question; and when I answer it, I am sure he will just as fully agree with the facts I submit in response to his question. His question is, Has anything happened to change the situation? Yes, very definitely, very ominously, and in most sinister fashion.

The first thing that has happened, in the interim to which the Senator from Nebraska refers, is the fall of Czechoslovakia.

Mr. WHERRY. Mr. President, will the Senator yield to me for a moment at this point?

Mr. VANDENBERG. No; I ask the Senator from Nebraska to wait for a moment. He has asked me quite a long question, and I should like to have a little time in which to answer it.

Mr. WHERRY. I hope the Senator will permit me to make a brief observation at this point.

Mr. VANDENBERG. Very well.

Mr. WHERRY. At the time when the European relief program legislation was being considered and when we used the economic approach, Czechoslovakia and Finland had already been high-pressured by Russia.

Mr. VANDENBERG. Oh, they had been high-pressured out of the western European coalition.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. But since that has happened, as I am sure the Senator will agree with me without any argument whatever, the subsequent fate of Czechoslovakia is of a totally different and far more significant character.

Mr. WHERRY. Very well; that is what I wish to know.

Mr. VANDENBERG. I am sure the Senator from Nebraska will agree that what has happened is clearly the result of a subversive conspiracy to overthrow

the most democratic and most forward-looking of all the central European states. When we consider that overthrow and the fashion in which it was brought about, and the tragic symbol we have in the result—the suicide of Jan Masaryk—I am sure the Senator will agree that what has happened to Czechoslovakia in the interim to which he has referred has put an infinitely greater challenge behind the question which confronts us, along with the other free countries that are left in this world—in short, the question as to what happens next, and where we go.

Mr. WHERRY. Well——

Mr. VANDENBERG. Mr. President, I have not finished yet. In addition to the Czechoslovakian exhibit—and the whole world has been shocked by the Czechoslovakian exhibit; it makes as much difference between the two situations as the difference between day and night—in addition to that, we know very well that the very precious and very brave little country of Finland has been called—we know not what for in detail, but imagination supplies the details—has been called to an accounting which may put it in chains in respect to our ideas of independence and autonomy. We know that for the first time the Scandinavian countries of Norway, Sweden, and Denmark are in the grip of a tragic anxiety as to what their future is to be, as a result of this conspiracy of aggression which seems to be on the march at a tempo infinitely greater than it was at the time to which the Senator originally referred.

So my answer to the Senator from Nebraska is that I know he will be among the first to agree that the situation which we confront today is infinitely more challenging than it ever has been before.

Mr. WHERRY. Mr. President, I hope the Senator from Michigan will bear with me, because I have a feeling that the American people want to know what has happened since the passage of the European recovery program legislation which now would warrant the implementation of other methods, to the extent that is being requested by those who appear before the Armed Services Committees and by others, to stop the threat of communism. I think the American people are entitled to know, and I think the Members of the Senate are entitled to know.

Mr. VANDENBERG. Well——

Mr. WHERRY. I ask the Senator from Michigan to wait for a moment, please.

Mr. VANDENBERG. Yes; but I do not think the Senator should ask me to engage in a debate with respect to selective service or universal military training in connection with this matter.

Mr. WHERRY. I certainly do not. All I am asking the Senator is this: Has something happened since the debate on the European recovery program legislation?

Mr. VANDENBERG. Yes; and I just told the Senator from Nebraska what it was.

Mr. WHERRY. Is that all that has happened?

Mr. VANDENBERG. That is enough.

Mr. WHERRY. Very well.

Mr. VANDENBERG. I mean it is enough for me, and I think it is enough for the Senator from Nebraska, too.

Mr. WHERRY. Very well. I was one of those who voted against the European recovery program measure because at the time I felt, and I think the Senator from Michigan will recall, and I am sure the distinguished Senator from Massachusetts will recall——

Mr. VANDENBERG. Mr. President, I shall never forget the Senator from Nebraska in that connection.

Mr. WHERRY. Very well. I thank the Senator.

So something has happened. In voting on the request made by the administration, I wish to justify my vote on the basis of what is going to happen. I am pleading today with the distinguished chairman of the Foreign Relations Committee to tell the Senate everything he knows about why this change has come about and what the change is; and I am asking the President of the United States to tell the people. All we have heard from him, at the joint session, is that the situation is critical. Well, Mr. President, just what has happened?

I do not wish to go back. I agree with the distinguished Senator from Michigan that the situation has been changed hourly, apparently. Yet we have to justify the proposed rearmament program. I shall be one of the first to see to it that we prepare from the standpoint of national security. But we have to justify it. There must be a need. There must be something that has happened. That is why I asked the question of the distinguished Senator.

What has happened in China? Is the situation very different from what it was when the other legislation was proposed? Is the situation today in Europe different from what it was when the Congress passed the European recovery program legislation? All I have to do is remind the distinguished Senator from Michigan of the testimony of Secretary Royall and of the colloquy the distinguished Senator from Michigan had with him——

Mr. VANDENBERG. There is no doubt about that.

Mr. WHERRY. To make it unmistakably clear that at that time it was the economic approach, and that was all, and at that time we were given to understand that if we could provide the appropriations for the economic approach, we would not have to have the draft or we would not have to implement the program by taking steps along military lines.

Let us consider one or two of the colloquies. Let us consider first the colloquy appearing on page 469 of the hearings:

The CHAIRMAN. I want to make one other point in your testimony inescapably clear. You said in your opening statement yesterday, and I quote:

"I firmly believe that enlightened cooperative economic endeavor as visualized in the European recovery program can go a long way toward reducing the necessity for large-scale national armaments, and that without some such effort the Army and its budget should be immediately and measurably increased."

As I understand you, what you were saying is that if it were not for the prospect of organized economic stabilization as a source of security you envision an alternative situation which would require immediate and measurable appropriations for larger-scale national armaments than have been thus far requested?

Secretary ROYALL. That is correct, sir.

Then the distinguished Senator from Michigan put the matter still more bluntly; and, Mr. President, the word "bluntly" sounds very familiar to me:

The CHAIRMAN. Put still more bluntly, is it fair to say that your judgment offers us the choice, in part, between appropriations for economic cooperation on the one hand, or greater appropriations for military purposes in the interests of our ultimate national security?

Secretary ROYALL. That is my judgment.

I shall not read the remainder of the colloquy; but I should like to have inserted in the RECORD at this point two of the last paragraphs on page 470, where Secretary Royall said the following:

The CHAIRMAN. I want to add that it is obvious that the Secretary has not engaged in a militaristic proposal in his testimony because his testimony is all in favor of following the course which will minimize the necessity of militarism.

Secretary ROYALL. That is my firm conviction as to the best course.

Again, on page 472, the chairman wanted to be absolutely clear about this, and he asked:

You are not saying to us that we have to take this bill or else—

That is, the ERP, or else—

You are saying to us that there are two routes which we can follow in the pursuit of national security, one route is economic and the other is military, and that if we abandon the one we have no alternative except to recur to the other one.

With that I am in total agreement. There are other colloquies and statements which could also be cited, to the effect that there was this approach, the economic approach.

That was in January. In the discussions on ERP it was again stated repeatedly on the floor that the entire approach apparently would be the one course that, if followed, would prevent large rearmament, and that a national program of rearmament would be the alternative. And so we went into the debate. I took the position that to continue to appropriate in making the economic approach would be a waste of money, and that if it were desired to stop communism, it would have to be done by something other than dollars.

Within 48 hours after the passage of ERP, we had notice of a joint session of the Congress of the United States. The next day the President came before the joint session, advocating all the things that had been previously discussed here relative to the military approach.

I believe the people of the country are in a state of confusion. At one moment we are told the economic approach will suffice, and within 4 days thereafter we are told it must be supplemented, and that if communism is to be stopped there must be the implementation suggested by the President of the United States. That would go so far, I think, as to put this country on a wartime economy.

If that be the only alternative, I am asking the distinguished Senator from Michigan, following the passage of ERP

by the Senate, after discussions of the situation of Czechoslovakia, which situation was expounded at great length, and at which time Finland and the pressure that was being brought upon it was definitely stated and accepted and debated upon the floor, what has happened? It seems to me that something more has happened. Has the same pressure been placed on Sweden, on Norway, on Denmark, or any of the other countries? Has it been definitely exerted against any one of them? It has been rumored that it has, but is there anything in the testimony on which we may put our finger showing that that is true? If it be true that aggression is to extend across Europe it would make it so much easier for some of us, I think, to vote for appropriations to implement the United Nations organization as we thought it ought to have been in the first place.

I think the American people are entitled to know. I think that if we are going to get into a war the people of the United States should be told the truth. I am not saying that the distinguished Senator or anyone else has been untruthful. I am simply saying that to me it is necessary in order to justify the ends that are sought to know what has actually happened.

So, in all sincerity, with a feeling that it possibly will take, as I said before, more than the economic approach, I again ask the distinguished Senator from Michigan if he can give us any further light than what he has already given about the emergency that confronts us at this moment.

Mr. VANDENBERG. Mr. President, if the Senator has finished his question, I shall be glad to rise again.

Mr. WHERRY. It is a long question, certainly; but a change——

Mr. VANDENBERG. I thought the Senator was ready to have me answer it.

Mr. WHERRY. A change has come over the foreign policy hourly; I agree that it has, and I think the facts should be told to the American people. I think if told to the people, there will be no question at all about the rearmament program or about any of the aid that is being asked. That is my feeling, but I have no evidence that is different from what is in the committee's report, except what the President said in his message to the joint session of Congress, that things were at a critical stage. They have been critical since the war ended. The distinguished Senator has stated that the situation has changed greatly in Czechoslovakia—and I think it has—but does it justify the means we are asking by way of implementation not only of ERP, but does it justify the means which are being asked in connection with aid to China?

If I properly interpret what it is proposed to do, we are appropriating $100,000,000 which we know will probably be used by the Chinese Government for military purposes.

I trust the Senator from Michigan has had a rest and will answer the question.

Mr. VANDENBERG. Mr. President, it is now a quarter of two. I think I answered the Senator's question about a quarter after one, and I think I answered it at that time completely.

Mr. WHERRY. The Senator said he was satisfied.

Mr. VANDENBERG. I gave the Senator the facts of life that have occurred in the interim since the time about which he originally spoke. Now, if those are not impressive to the Senator——

Mr. WHERRY. They are.

Mr. VANDENBERG. No, just a moment. I have the greatest respect for the Senator's opinion in connection with all these questions, despite what seems to be a fundamental disagreement between us.

Mr. WHERRY. I do not believe that we disagree fundamentally.

Mr. VANDENBERG. I do not know what the Senator calls a fundamental agreement. I cannot recall when we have seemed to strike a note of harmony in connection with any phase of the matter. But that is beside the point.

The Senator, in the first place, is now seeking to inject into the debate a subject which I think is unrelated to the China relief bill, unless it be in a purely incidental fashion and is involved in the far more fundamental question of military preparation in our own country, through the selective service or universal military training. I do not propose to undertake to discuss that question today. I have no secret information regarding the situations abroad. From my point of view I need no further information than I can read on the front page of every afternoon newspaper, to know that the situation is constantly worsening in respect to the aggressive forward march of communism which apparently intends to be utterly ruthless in seeking to overcome the independent governments of Europe. I think the United States has a tremendous interest at that point and I am prepared at all times to undertake to serve what I consider to be America's self-interest.

So far as the China-aid bill is concerned, it is the same bill which was before Congress at the original time of which the Senator speaks. If there is added military emphasis in this bill it is very largely the result of the demands of Members of the other House——

Mr. WHERRY. That is correct.

Mr. VANDENBERG. And of the Senate.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. It certainly has not been at the demand of the State Department; and that ought to be a part of the record, so there can be no misunderstanding about it.

We have undertaken to write this new provision into the law in a fashion which least commits us to any military cooperation on our own responsibility. We have wanted to preserve such a situation that Congress would be completely free to make its own decisions in respect to any military commitments. I see nothing that has happened in the record which for an instant dilutes the necessity for the passage of the pending bill as it was originally presented. On the contrary, I think that the other things which have happened and which I have outlined in detail to the Senator, in central Europe and in Scandinavia, simply further underscore the fact that we must take deep account of stock in respect to our own self-interest and our national security. In the opinion of the Senator from Michigan, it is still highly advisable to pursue to the maximum the possibility of emancipation through economic means.

I would not withdraw any economic program simply because it might require a supplement of a different character. The situation changes from day to day. The necessity for the emphasis in our answer changes from day to day. But I think the record stands clear that it is highly desirable in the present instance, narrowing the issue to the particular issue now pending before the Senate, that this bill should pass for the sake of its contribution not only to the physical resources of our great Chinese friends, but also to their psychology in connection with a global challenge to the hopes by which freemen live and the dedications for which we have fought.

Mr. WHERRY. Mr. President, will the Senator be patient enough for me to ask one more question?

Mr. VANDENBERG. I am glad to yield to the Senator.

Mr. WHERRY. I think that the China loan is related to ERP if, for no other reason, that in the parliamentary situation which will come about through the passage of these bills in the Senate, which are included in the omnibus bill which will come from the House.

Mr. VANDENBERG. I am sorry, but I did everything I could to prevent that situation.

Mr. WHERRY. I understand that. For that reason, when it is considered by the conferees, I think it will be found that it is not an unrelated matter. That is one of the reasons I think the question is a proper one, not only with regard to China, but with regard to ERP.

Mr. VANDENBERG. Any question which the Senator asks is a proper question, so far as I am concerned.

Mr. WHERRY. I thank the Senator. Would the Senator consider that he has made up his mind that the alternative course of supplemental aid, besides economic aid, is now warranted? Does the Senator see what I mean?

Mr. VANDENBERG. No; I do not see what the Senator means. Does the Senator mean, do I favor selective service and universal military training? Is that the question?

Mr. WHERRY. The distinguished Senator used the words "an alternative which requires supplemental aid in addition to economic aid," whatever that may be, in the China aid bill.

Mr. VANDENBERG. The Senator is quite correct. That refers to the $100,000,000 which at the option of China can be used by her to purchase military supplies.

Mr. WHERRY. Has the Senator come into possession of any facts, or have witnesses testified before his committee as to any serious facts, which justify the distinguished Senator's feeling that not only the economic approach, but the alternative approach should be used in handling the situation in Europe?

Mr. VANDENBERG. In China.

Mr. WHERRY. The Senator has already explained the situation with respect to China. I am asking with reference to Europe.

Mr. VANDENBERG. I shall not undertake this afternoon to pass judgment on the question of our supplemental obligations in Europe in our own self-interest. It is beyond the wit of man to anticipate what the situation may ultimately require. I do not know the answer. It is in the lap of the gods and is dependent upon events. I shall cross that bridge when I come to it.

Mr. WHERRY. It will have to be crossed, will it not, in the conference committee? In the omnibus bill is there not aid other than economic aid?

Mr. VANDENBERG. Only in the case of Greece and Turkey, which is a continuation of the original program.

Mr. WHERRY. I wish to thank the Senator for the information he has given. I am still groping for more evidence to justify the demands of the administration relative to the end results which are to be obtained.

Mr. VANDENBERG. I am sure that is entirely the fault of the Senator from Michigan, in being unable to meet the desire of the Senator for information, but in self-defense the Senator from Michigan will say that he never before collided with quite such an appetite.

Mr. KEM. Mr. President, approximately a year ago, on April 22, 1947, to be exact, the Senate passed the bill authorizing a $400,000,000 "loan" to Greece and Turkey. This marked the initial phase of the so-called Truman doctrine to quarantine communism. The measure was opposed in this body by a number of its Members. The opposition was based generally on four grounds:

First. The plan bypassed the United Nations.

Second. The plan was in its essence a military program, although presented on a humanitarian basis.

Third. It is impossible to buy the good will of peoples with dollars.

Fourth. Our first concern should be to build a strong economy at home.

So far as the junior Senator from Missouri is concerned, each of these points is as valid today as when originally made. Nothing has occurred in the interval to cause him to think otherwise. These reasoned arguments apply equally to the second installment of $275,000,000 of the Greek-Turkish program approved by the Senate last week, and also to the gift to China now under consideration.

THE CHINA PLAN WOULD BYPASS THE UNITED NATIONS

The President, in appealing to Congress on March 12, 1947, for the first Greek-Turkish installment, casually bypassed the United Nations, which the United States had taken the lead in establishing.

His address to Congress was delivered at the very time an 11-nation commission from the United Nations Council was in Greece trying to get the facts of the situation. The failure of the President to consult the United Nations was a fatal error, which was not corrected by an amendment, an afterthought of the proponents of the plan, providing that if the United Nations should ask us to cease and desist, we should do so. The meaning of this is plain and cannot be camouflaged. In the very infancy of the United Nations this country establishes a precedent of policing another country without consultation with the United Nations and in utter disregard of provisions of the United Nations Charter. President Truman, in taking this action, either forgot or decided to ignore the advice of his late predecessor who in his report of March 1, 1945, on the Yalta Conference stated "Vaguely defined spheres of influence are incompatible with the basic principle of international collaboration."

The United States was not the only Nation that would have been and will be affected by the confusion and disorder which might result from Greece going communistic. This Nation, however, took the bull by the horns. Instead of submitting the problem to the United Nations, which had just been created for this purpose, the United States not only laid itself open to a misinterpretation of its own motives and aims, but did irreparable harm to the authority of the United Nations, to which it had at San Francisco pledged its support. Without the assistance and support of the United States the United Nations would never been brought into existence.

Last Tuesday the Senate gave its approval to the second installment of the Greek-Turkish program, again making it known to the world in no uncertain terms that this country feels that the United Nations is still powerless to carry out the responsibilities for which it was created.

The United States continues to adhere to the position that we are the sole hope of peace in this troubled world. The other members of the United Nations are in effect told that they shall have no voice in establishing peace in the Mediterranean. We shall carry on alone.

Mr. President, we are asked to direct our go-it-alone peacemaking efforts to another area in this troubled world; to vast, turbulent China, struggling in the throes of civil war. In his message to Congress on February 19, 1948, the President stated:

> The United States has long recognized the importance of a stable Chinese nation to lasting peace in the Pacific and the entire world. The primary objective of the United States is to bring about throughout the world the conditions of a just and lasting peace.

Mr. President, if that be the situation, and if that be our purpose, is it not a situation in which it is logical to utilize the facilities of the United Nations in an effort to secure a solution? If the peace of the world is threatened by the China problem, as the words of the President indicate, why should we not appeal to the United Nations before attempting to effect a solution of our own? The United States, in proceeding in this fashion in an effort to solve all the problems of the world, is steadily destroying the original and fundamental concept of the United Nations, upon which the hopes and aspirations of millions of our fellow citizens are centered.

Insofar as I am aware, there has been no action on our part to utilize the policing function of the United Nations in seeking a solution of the China problem. Did we not accept the United Nations as a means of world peace and security? Why, then, should the United States take unto itself the full responsibility of deciding how world peace should be maintained, when the problem had been and has been specifically assigned to the United Nations from the outset?

If the United Nations is not sufficiently strong for the task, then let us use our resources and our energy to make it strong. If the fundamental Charter of the United Nations is inadequate or ineffective, let us direct our attention to the amendment of that Charter.

The senior Senator from Michigan [Mr. VANDENBERG], in a speech on February 5, 1945, delivered before the Varsity Club of Detroit, stated:

> The nearer we come to vanquishing our enemies the more we become inevitably conscious of differences among the victors. How do these differences disclose themselves? Usually by unilateral decisions in which one or another among the United Nations makes its own announcement, pronounces its own interpretation upon its own rights regardless of the fact that their rights, for all of us, flow from common effort. I assert that all vital decisions should also flow from the same sort of common effort.

Mr. President, we have been told about these chain reactions in foreign affairs. Should not a decision which, by a familiar chain reaction, may lead to establishing an American frontier in upper Mongolia, "flow from the same sort of common effort," or should we proceed to admit further that our hopes and aspirations in creating the United Nations have been in vain? Are we willing to relegate the United Nations to the status of a mere debating society?

THE CHINA PLAN IS A MILITARY PROGRAM, ALTHOUGH PRESENTED ON A HUMANITARIAN BASIS

In the second place, Mr. President, I think it has been fully developed by the very frank and candid admissions of the senior Senator from Michigan, and by his colloquy with the able Senator from Nebraska that the China plan is in its essence a military program, although presented, as before, as a humanitarian effort.

Some of those pressing at the last session of the Congress for the enactment of the $400,000,000 Greek-Turkish so-called loan, made efforts to camouflage its definite military character by presenting it primarily as a measure for economic assistance to those countries. They rang the changes on the humanitarian argument.

President Truman, in his address before a joint session of the Congress on March 12, 1947, urging passage of the measure, stated:

> Greece is today without funds to finance the importation of those goods which are essential to bare subsistence.

The President said further:

> Greece is in desperate need of financial and economic assistance to enable it to resume purchases of food, clothing, fuel, and seeds. These are indispensable for the subsistence of its people.

Great emphasis was laid on the lack of the necessities of life in Greece, although

little was said about those circumstances in Turkey. Last April 8 the senior Senator from Michigan, referring to the plans for Greece, stated on the floor of the Senate:

> Lest there be an overemphasis in the wrong place, I hasten to add that our contemplated military mission involves only 10 to 40 officers and no combat troops.

However, in the report of the Committee on Foreign Relations on the recent bill, proposing a second installment to Greece, which was quoted by the senior Senator from Michigan on the floor of the Senate, it was stated that—

> There are at present 242 United States military and 41 United States naval personnel, or a total of 283 attached to the military sections of the American Mission for Aid to Greece.

That, Mr. President, referred to the American mission to Greece. In other words, Congress was asked to authorize a military mission to Greece of 10 to 40 persons. We find that, under the bill that was passed, there are 283 officers and men now present in that country.

The original purpose of assistance to Greece and Turkey called for the expenditure of $300,000,000 to Greece, $150,000,000 to be for military purposes, $150,000,000 to be for economic purposes. We now find that $14,000,000 has been diverted from the economic to the military program, making a total of $172,000,000, instead of the originally planned $150,000,000. Of course that mere $14,000,000 in these days of grants of billions of dollars is of no significance, but the principle involved, the fact that the administration would, without apology, transfer from one purpose authorized by Congress to another, is significant. We are tempted to ask, "After all, was this original break-down merely given us for the purpose of making the measure appetizing to the Congress and to the American people, or is it being made palatable by being fed to us in small doses?"

Now we are asked to provide aid to China, in the amount of $463,000,000. The committee bill states:

> It is the purpose of this act to provide immediate aid to China to relieve human suffering—

The same language again, Mr. President—

> to assist in retarding economic deterioration, and to afford the people of China an opportunity to initiate measures of self-help necessary to rebuilding the bases for more stable economic conditions.

So far as I have been able to determine the bill does not mention military aid. However, the bill provides for an additional $100,000,000 to be authorized to China through grants on such terms as the President may determine, and the report states that it may be assumed, and I think the Senator from Michigan has said that it may be assumed, that this $100,000,000 will be used for military purposes.

Mr. President, there is a maxim in the law: "Facit per alium facit per se"—He that acts through another acts himself.

I do not think we need delude ourselves or continue in any false paradise to believe that when we grant money to a country those against whom our money is used will not consider us their military enemies. So we are asked to quarantine communism again—this time in China.

The initial phase of the program is presented to us on a humanitarian basis, but, Mr. President, I suppose none of us will be gullible again. Indeed, in the President's recent message on aid to China we find this significant remark:

> The financing of these essential commodity imports by the United States would permit the Chinese Government to devote its limited dollar resources to the most urgent of its other needs.

Of course it need not be pointed out that the most urgent of its other needs is of a military character. In other words, Mr. President, this project is war, and it is not conceived for purposes in anywise pacific.

We find the well-worn humanitarian appeal is resorted to once again in urging us, or enticing us, to commit ourselves to a new area in the world. Just as the original Greek and Turkish loan was mere window dressing for the expansion of our military frontier on the Dardanelles, so this proposed gift to China is mere camouflage for the establishment of a military beachhead somewhere in the vast reaches of China, to be held by the blood of American young men, if necessary. As Theodore Roosevelt once said, "You cannot shake your fist and then shake your finger." Once we are committed, it is only a question of time till the American soldier will be called upon to follow the American dollar. We shall hear again, as we heard last week from the distinguished senior Senator from Texas [Mr. CONNALLY], "We cannot turn back. We have got to see it through. The prestige of the American Nation is involved."

Mr. HAWKES. Mr. President——

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

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

Mr. HAWKES. The Senator realizes, does he not, that no Senator and no Member of the other House, representing the people in the Congress, can possibly predict that we cannot turn back? The people are going to decide whether we are going to turn back, and sooner or later they are going to decide whether we should have been doing the things we are doing.

Mr. KEM. I think the Senator from New Jersey is quite correct. He usually is. I submit to the Senator from New Jersey that we are laying ourselves open to one of those chain reactions which are so eloquently referred to by the senior Senator from Michigan.

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

Mr. KEM. I am glad to yield.

Mr. HAWKES. Does the Senator know of any nation in the United Nations today, outside the United States of America, which is in that organization for the purpose of doing what it ought to be doing for others to bring about peace, or is it in that organization for what it can get out of it?

Mr. KEM. Mr. President, so far as I have been able to follow the proceedings of the United Nations the spirit of altruism has not characterized them.

Mr. HAWKES. Now for the sake of argument, let us admit that many of the nations, or most of them, are unable to do what they ought to do by way of contribution to the United Nations. Does not the Senator think that instead of our circumventing the United Nations in everything we are doing today, even though we are the contributors of everything that is being contributed, the contribution ought to be made through the United Nations, and not by circumvention of the United Nations?

Mr. KEM. I agree with the Senator from New Jersey, and I thank him for his contribution.

Mr. President, my point is that the locale may differ but the pattern is the same. In the case of Greece the proposal at first was primarily for economic aid presented on a humanitarian basis. Now we see in Greece it is more for military aid, and increasing numbers of military personnel. In western Europe economic aid was asked through ERP, but, judging from the President's recent message a request for military aid may soon be forthcoming. And now it is economic aid for China. Aid to Greece, aid to Turkey, aid to China have this in common. They are toll houses on the road to war.

Mr. President, in order to keep the record straight, let us look at some recent American history. In a speech at Boston, Mass., on October 30, 1940, President Roosevelt, in his campaign for reelection had this to say:

> And while I am talking to you mothers and fathers, I give you one more assurance. I have said this before, but I say it again and again and again: your boys are not going to be sent into any foreign wars.

At the same time the Right Honorable Winston Churchill, Prime Minister of Great Britain, was talking in the same vein. In a speech to the House of Commons at the opening of a new session on November 21, 1940, the Prime Minister said:

> I look to a time when the arsenals and training grounds and science of the New World and of the British Empire will give us that added material superiority which, added to the loyalty of constant hearts, will bring victory and deliverance to mankind.

So, Mr. President, in 1940, neither the President of the United States nor the Prime Minister of England apparently had the slightest contemplation that any American boys would be called upon to give up their lives on the battlefields of Europe.

Again, in his message to the Congress on January 6, 1941, President Roosevelt stated:

> Our most useful and immediate role is to act as an arsenal for them—

Referring to the embattled allies in Europe—

> Our most useful and immediate role is to act as an arsenal for them as well as for ourselves. They do not need manpower. They need billions of dollars worth of weapons of defense.

We are told now that in China, as well as in Greece and Turkey, they do not need manpower; what they need are weapons of defense.

In 1941, at the same time President Roosevelt was addressing the American people in that vein, Mr. Churchill, still Prime Minister of Great Britain, was talking in the same vein to the people of his own country. On January 17, 1941, in an impromptu speech at Glasgow, Mr. Churchill said:

> We do not require in 1941 large armies from overseas. What we do require are weapons, ships, and airplanes.

Again, in a memorable address on February 9, 1941, Mr. Churchill said:

> We shall not fail or falter. We shall not weaken or tire. Neither the sudden shock of battle nor the long-drawn trials of vigilance and exertion will wear us down. Give us the tools and we will finish the job.

Mr. President, I think it is interesting to see the great similarity between the course of events then and the course of events now. I think that before passing this bill we may well call to mind the eloquent words of a former Senator from Missouri who, although he sat on the other side of the aisle, will always be honored in my State. I refer to the late fiery, eloquent, gifted, and talented James A. Reed. Mr. Reed, on an occasion not unlike this, used this language:

> It is one thing for a man to volunteer his own service and imperil his own life voluntarily. It is quite another for a legislature to vote a contract that may compel the death of millions of people who have nothing to say about making the contract.

For my part, Mr. President, I have utterly lost faith in war as an instrument of peace.

IT IS IMPOSSIBLE TO BUY THE GOOD WILL OF PEOPLES WITH DOLLARS

The third proposition to which I wish to invite the attention of the Senate is that it is impossible to buy the good will of people with dollars. We have learned that in other parts of the world. We have learned that vast sums of lend-lease and UNRRA aid extended to the Soviet Union, to Yugoslavia, and to Czechoslovakia have created something less than cordial relations between those countries and the United States. So far as I have been able to find out, we have never been able to convert any Communists to democratic concepts by the use of dollars.

We were told by the senior Senator from Michigan when he was presenting the bill for the second installment of the Greek gift that in Greece there were only 14,000 guerrillas in the field in May 1947. But despite our liberal aid, granted in the amounts requested, that number has now been increased to 26,000—nearly double the number of guerrillas a year ago. It has been said in this body that we have been supplying the sinews of war to both sides of the battle line in Greece. But wherever they have come from, the guerrilla forces seem to have waxed and grown stronger day by day.

In Czechoslovakia $300,000,000 of postwar American aid did not prevent the Communists from adding that brave little country to their fold.

One of the most important factors operating to nullify our efforts to buy good will and converts to democracy is the earnest desire of each country to preserve its sovereignty. We have learned from bitter experience that intergovernmental loans only create friction and an ill will on the part of both the borrower and the lender. The United States has learned the hard way that no matter how high-minded our intentions may be in our efforts to aid other nations, it is almost impossible to dispel doubts as to our underlying motives. We still have not convinced many Europeans that Uncle Sam is not going on a wild spree of dollar imperialism with the Truman-Marshall plan.

We are told that in ancient China the concept of national sovereignty reigns supreme. Not only have we found that nearly $3,000,000,000 in aid which the United States has disbursed since the end of the war has failed to create any improvement in a desperate economic situation, but there has been engendered a feeling of actual hostility toward the people of the United States for interfering in Chinese internal affairs. If additional economic grants to China are to serve any useful purpose whatever, the United States should be able to prescribe conditions as to how the money is to be spent.

On March 12, 1948, Dr. Sun Fo, Vice President of China, expressed the apprehension of members of the Chinese Central Government over the extent of outside control that might be associated with the China-aid program. "China," said Dr. Sun Fo, "was eager to preserve her national sovereignty and self respect, and would insist upon the right to reject advice if it is not acceptable." I continue to quote from Dr. Sun Fo:

> Among our people there is apprehension about too much intereference in running the country.

A number of foreign observers have conceived that lifting the ban on foreign inland shipping would help solve the transportation shortage, but Dr. Sun Fo said:

> We would object if we were asked to open our inland transportation system to foreign shipping.

Thus this sovereignty consciousness, creating a complication in terms of Nanking's dependence on foreign assistance, in the opinion of competent observers is sure to prove a barrier in the way of an American effort to assist China out of its economic morass. In passing it may be said that it is almost certain to furnish a similar stumbling block in 16 countries of western Europe to which we have just voted aid.

The United States has poured out billions upon billions of dollars and sent them down the European rat hole without appreciable results. But in our efforts to assist China we have been confronted, and are now confronted, by no mere rat hole. It is rather a bottomless pit, or an abysmal morass. In spite of all the money the United States has poured out, conditions in China have grown more and more desperate. The inflation of the currency is completely out of hand. Perhaps Senators noticed that one of the witnesses before the House committee testified that a $100 bill which he held in his hand was not actually worth the cost of the paper upon which it was printed. Anarchy threatens to engulf the land. First-hand observers return with stories of corruption, waste, and incompetence from the top to the bottom of the Nationalist government. The military situation there is equally deplorable. It has been stated that for every Communist killed by the Central Government, four more are created by the unfair tax policies of the Central Government, its cruel police-state methods, and its failure to check inflation.

Our support of a regime that has grown more and more unpopular in the last year or so will reap for the United States only a lasting harvest of hatred.

Secretary Marshall in his testimony before the House committee on February 24, 1948, stated:

> For the main part, the solution of China's problems is largely one for the Chinese themselves. Local governments are often so corrupt that they are undependable for assistance in the administration of relief methods. The political control by long-entrenched groups is a great difficulty to be overcome in the restoration of China to economic stability.

Mr. President, if I correctly interpret the address of the President of the United States on this subject and the testimony of his Secretary of State in regard to it, the only thing expected from this measure is a breathing spell to help retard the present rapid rate of deterioration. No effective results are even hoped for. Yet, as in Greece and Turkey, once we have shaken our fist at the Communists in China, we shall find that we cannot then shake our finger, for economic aid admittedly will serve no useful purpose.

General Chennault has testified that substantial portions of the military equipment we have furnished to China have already fallen into the hands of the Communists. It is only a question of time when we shall receive requests to send American boys to do the job that our economic and military aid has not succeeded in doing. Shall we then be told by able and distinguished members of the Foreign Relations Committee that we cannot turn back, but that we have placed our hand at the plowshare and our prestige is at stake?

American military missions, Mr. President, already are accompanying American dollars into the far reaches of the earth. They are asked to accompany them in this connection. Are we ready to follow those missions with the cream of American manhood to defend putative frontiers on the Yangtze, the Dardanelles, the Oder, and the Hellespont?

Mr. President, let us turn again before we are told once more that our prestige has been involved and that we are committed.

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

Mr. KEM. I yield.

Mr. HAWKES. I am very much interested in what the Senator has said about defending those frontiers. They were established by certain rulers in agreement with one another. We thought we fought a war for a given purpose, but when we got all through

with it we discovered we had not fought it for that purpose at all, did we not?

Mr. KEM. Exactly.

Mr. HAWKES. Is there any reason to assume that if we sacrifice a large part of our manhood in defending almost all the rest of the world and in undertaking more than we can possibly live up to, after we establish those frontiers, they will be the frontiers we want, and they will remain intact?

Mr. KEM. Mr. President, I see none. We fought the First World War to destroy the Kaiser. We were told then that we were fighting that war to make the world safe for democracy. Subsequently we raised up Hitler. Then we destroyed Hitler, and we were told that we were doing that to preserve the "four freedoms." Then we raised up Stalin.

In the First World War we were told that the American frontiers had gone to the Rhine. Now we are being told, in effect, that the American frontiers have gone to the Oder, the Dardanelles, the Hellespont, and the outer reaches of Upper Mongolia.

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

Mr. KEM. I yield.

Mr. HAWKES. I wonder how many Americans realize that when the war in Europe was ended the United States had 3,400,000 of the finest-trained, finest-equipped soldiers that ever were put into an Army on the Continent of Europe. It is estimated that it cost from $150,000,000,000 to $200,000,000,000 to get them there.

The British Government had there from 750,000 to 780,000 of the best-equipped and best-trained British soldiers they ever had. So there we sat, in a wonderful position. We at home thought we had fought that war for a certain objective. That objective could have been definitely defined at that time. Yet the rulers of Great Britain and the chiefs of this country failed to take advantage of that wonderful opportunity and that situation—a psychological situation, if you please—and have Mr. Stalin sit down and agree that we had fought that war for a certain objective, and then define it. Instead of doing that, we brought back to our own country most of those 3,400,000 soldiers, and the British Government took most of their soldiers out of continental Europe.

So, after we had gotten into that wonderful position, which impressed the whole world, we began to talk about what we fought the war for and what we wished to agree upon. Of course we have reached no agreement, because Mr. Stalin is not worried about our ever getting 3,000,000 soldiers back into continental Europe. The only thing he fears in all this world is air power. If this Nation does not make itself supreme in the air, then I say God help the intelligence of the American people.

Mr. KEM. Mr. President, I thank the Senator from New Jersey, and I expect to say something on that point before I conclude.

Mr. HAWKES. I thank the Senator very much for yielding to me.

Mr. KEM. I have been glad to yield.

Mr. President, I think what the Senator from New Jersey has said amounts perhaps to this: That the statesman who sent our doughboys to fight those two wars were able to state their objectives in very eloquent terms; but after those wars were over, they found greater difficulty in specifically stating their accomplishments. Is that what the Senator from New Jersey has in mind?

Mr. HAWKES. Yes; that is what I meant. I also meant that the statesmen, if they may be called such, or the diplomats or the executives of these great governments failed to take advantage of a situation which, if properly taken advantage of, might have led to the peace of the world. But, instead, they lost their powerful position before they began to talk about what we fought the war for and whether we were in agreement along lines which lead to peace.

Mr. KEM. Mr. President, I should like to ask the Senator from New Jersey whether he is in accord with me in the view that I have lately expressed; namely, that I have utterly lost confidence in war as an instrument of peace.

Mr. HAWKES. Mr. President, I cannot be more in agreement with the Senator on anything else in all the world. I say to him now what I have said publicly for several years, namely, that unless we help rebuild the world, morally and spiritually, all these difficult problems will continue to arise, just as they have for thousands and thousands of years in the past.

Mr. KEM. It seems to me that we have added to the cycle a rather interesting refinement, namely, the idea that it is the duty of the victors to rebuild the country of the vanquished. So far as I know, that concept has never before appeared in the history of mankind. So, Mr. President, if we go to war with Russia and destroy Stalin, I suppose in a few years we shall have presented to us a program for Russian recovery.

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

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

Mr. HAWKES. I think the Senator is quite right, but that concept of the duty of the victor, the one we are following, has never been even dreamed of in the history of the world, and in my opinion when we are through with that concept and with following it out the way we are attempting to do, and overreaching ourselves, in the words of Mark Twain, "Once upon a time, there was a man who tried to do too much, and he did it"—I think the world will say, "Once upon a time, there was a nation which tried to do too much, and it did it." I do not believe any people of intelligence, or even with slight intelligence, will ever attempt again to do what we are trying to do today, namely, take on and try to reform most of the world almost single-handed. Let us reform ourselves first.

Mr. KEM. The Senator agrees with me that if that is the purpose of the leaders of American public opinion, they are asking John Q. Public to bite off more than he can chew.

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

Mr. KEM. I am glad to yield further to the Senator from New Jersey.

Mr. HAWKES. I may be wrong, but I said to the Senator from Missouri a few moments ago that in the last analysis I think the people of the United States are going to decide, and before too long, whether they approve of this useless giving away of the United States. My contacts with people—and I am not talking about contacts with rich people, I am not talking about contacts with big business men; I am talking about contacts with the down-to-earth American citizen—lead me to believe that when the situation is explained to them, and the vastness of this project is understood in the slightest degree, three or four out of every five are opposed to the course their representatives are following.

Mr. KEM. I thank the Senator.

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

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

Mr. JENNER. I should like to ask the Senator from Missouri whether it has not always been the policy of our Government to help China in an hour of need?

Mr. KEM. So far as I know we have never aided and abetted the Chinese Government in any military project, in the entire history of the United States.

Mr. JENNER. Then does the Senator mean to say that this is a bill to provide military aid coupled with relief?

Mr. KEM. I mean to say it is to provide military aid to a large extent, and that the essential conception is military.

Mr. JENNER. What percentage of the appropriation for China would be applied to relief?

Mr. KEM. I think there is approximately $350,000,000 for relief, and $100,000,000 for military purposes. But it is stated in the report, perhaps very naively, that the economic aid given to the Government will enable it to turn to its more pressing necessities. So in effect, since the Chinese Government is at war, all her aid is of a military character.

Mr. JENNER. Assuming that the $450,000,000 were truly applied directly to relieve the suffering and famishing Chinese, does the Senator have any statistical or other basis of fact that would enable him to inform the Senate what the appropriation would represent by way of aid per person in China?

Mr. KEM. I think, roughly, it would be $1 a person.

Mr. JENNER. One dollar a person a year?

Mr. KEM. Yes, on this grant; and of course this is merely a start. They will be back. The Greek-Turkish program lasted a little less than a year. There is no reason, I suppose, to expect this will last longer than that.

Mr. JENNER. Then would the Senator say that the granting of $100,000,000 for military aid is committing us to a military program in China that in substance means that we must finance the present Chinese Government until either it is successful or drives communism from its borders?

Mr. KEM. Mr. President, I can only say to the Senator from Indiana, I think we may be guided by the lamp of experience. When we sent lend-lease aid to the embattled Allies of Europe we were

told that it in no sense involved us in war. Yet, within only a few months, American boys were found fighting all over the world. I do not happen to recall a case of any power that aided and abetted another with money that did not sooner or later become involved with the wars of that power. It would seem to me to be an essential "chain reaction," to use the striking phrase of the Senator from Michigan.

Mr. JENNER. I thank the Senator.

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

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

Mr. KNOWLAND. Perhaps the Senator is going to touch on it later in his remarks, but I was wondering if he does not recognize what the signficance might be if 450,000,000 Chinese came under the complete domination of the Communists, either Russia herself or a Communist satellite establishment of Russia in China, and if that 450,000,000 of manpower was made available to the two-hundred-and-some-odd million within the boundaries of the Soviet Union itself, plus the additional millions that have been forcibly taken behind the iron curtain. I am wondering if the Senator does not realize that that would have tremendous significance upon the ultimate security of the United States, and that while it might not present a problem for this generation in the next year or two, for our children it might present a problem that would be far greater than the problem of the civilized world at the time of Genghis Khan.

Mr. KEM. I agree entirely with the Senator from California. I doubt, Mr. President, if there is a Member of this body who has not given that very possibility hours, and I may say nights, of sleepless thought and consideration. I doubt if there is a Member of this body—and I say it reverently—who has not approached it with prayerful consideration. Yet, Mr. President, I have no reason to believe from anything I have ever been able to read in recorded history that the puny efforts now proposed will prevent that result taking place if it is in the womb of time.

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

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

Mr. HAWKES. The Senator referred to the puny efforts. That was only speaking relatively, because I know the Senator does not think of $21,000,000,000 plus $24,000,000,000 that has been given and loaned on unsound loans since the end of the war.

Mr. KEM. I was referring to the present sum of $1 per person provided in the bill.

Mr. HAWKES. I realize what the Senator was referring to, but what I wanted to emphasize was that that need which to the world may seem puny from our national standpoint may be very enormous to us as an individual nation. Does the Senator realize that?

Mr. KEM. Yes.

Mr. HAWKES. Then I want to say to my very dear friend, the Senator from California, that I am just as deeply interested in the future of the youth of America as is any other Member of the Senate, or I should not be standing here today, and I am not standing here for myself. We can do the youth of America, and I believe the youth of the world, incalculable harm, if we destroy this, the greatest Nation on the face of the earth, which is the only place where the lamp of liberty is burning, and the only place, in my opinion, where there is at present real hope for the development of true individual freedom and Christianity. If this great Nation should go down because of the foolish use of the national wealth and the destruction of its economic and industrial body, then I can only say to the Senator, catastrophe and ruin will face the youth of America. That is what I am interested in avoiding.

The Senator from Missouri knows that no one understands and can prove that he is right in his viewpoint on this great question. I do not impeach the integrity or the honesty of purpose of anyone else. All I can do, under my God, is to use the intelligence and the experience I have had in life in dealing with humanity and the knowledge which I have gained of the people of different nations, because I have been throughout the world and have seen them.

Mr. KEM. I take it that the Senator from New Jersey is guided by the lamp of experience, to use Patrick Henry's striking phrase.

Mr. HAWKES. I have never given up believing that is the best lamp to guide us in the present and in our hope for the future.

Mr. KEM. It is that lamp which I am imploring the Senate to use at the present juncture in its consideration of the bill.

Mr. President, time will not permit any extensive discussion of the vacillating policies we have already pursued in China. Our inept, vacillating policy toward the Central Government in China has succeeded in completely confusing both the Chinese and the American people, together with their representatives in Congress.

At one time, in the period after Pearl Harbor, the United States extended aid to both the Chinese Communists and the Chinese Nationalists in their fight against the Japanese. In October 1944, with the recall of Gen. "Vinegar Joe" Stilwell at Gen. Chiang Kai-shek's request, United States support was thrown behind the Nationalist Government. At approximately the same time Mr. Patrick Hurley was appointed Ambassador to China, but a year later, on November 27, 1945, he resigned his post with fiery blasts at the State Department for sabotaging his efforts to prevent the collapse of the Nationalist Government.

In a State Department bulletin issued on November 18, 1945, we find this statement:

> It is neither our purpose nor desire to become involved in the internal affairs of China.

By this time full-scale civil war had begun between the Nationalists and Communists. President Truman then sent General Marshall as a special envoy to China with the personal rank of ambassador. His task was to bring about peace and unity——

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

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

Mr. McMAHON. I notice that the Senator did not spend much time discussing General Hurley's mission.

Mr. KEM. I referred to it only as showing the utter confusion, the vacillation, and the ineptitude of the American policy through the years in question.

Mr. McMAHON. I agree with the Senator. I would give that "the once over lightly." I would not pay much attention to that, because General Hurley came home and attended a session of the Foreign Relations Committee. As I recollect, there was a good deal of publicity which evaporated into thin air. So the less we say regarding the General's expedition the better it will be.

Mr. KEM. The Senator will perhaps agree with me that the less we say regarding the American policy in China in the past 4 years, the better.

Mr. McMAHON. I do not think that follows at all.

Mr. KEM. If the Senator will permit me——

Mr. McMAHON. I might find myself in agreement with the Senator on one phase, but certainly not on all phases. I cannot refrain from pointing out, however, that the Senator did not dwell too long on General Hurley's ambassadorial career.

Mr. KEM. I think perhaps the comment is in order, and I am glad to have that contribution.

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

Mr. KEM. I yield.

Mr. LANGER. I cannot sit here and listen to what the distinguished Senator has said regarding General Hurley without making the comment that, in my judgment, the man is honest and fearless. He was one man who gave up a job and defied the President rather than be a miserable tool. Is it not significant, Mr. President, that approximately 10 days ago we asked to see the agreements made by the late President Roosevelt during the past 10 years and by the present President, and the request was refused? Is it not significant that the distinguished Senator from Indiana [Mr. CAPEHART], with 22 other Senators, requested of the Committee on Foreign Relations, of which the distinguished Senator from California [Mr. KNOWLAND] is a member, that they be allowed to see the same agreements which the distinguished chairman of that committee [Mr. VANDENBERG] said he had not seen in toto?

Mr. KNOWLAND. Mr. President, will the Senator yield in order that I may correct the RECORD.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. ECTON in the chair). The Senator will state it.

Mr. LUCAS. Who has the floor?

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield in order that I may correct the RECORD?

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

Mr. KNOWLAND. In order to correct the RECORD, let me say that the junior Senator from California is not a member of the Senate Foreign Relations Committee to which the able Senator has referred.

Mr. LANGER. The distinguished Senator from California is on so many important committees and on many subcommittees, and he takes such a prominent part in the Republican leadership, that I naturally assumed he was on the Foreign Relations Committee. I wish he were on that committee, because if he were a member of it I would be satisfied that the Senate would have the benefit of his magnificent experience in the last war, and my judgment is that he could throw much light on what took place at that time.

I want to thank the distinguished Senator from Missouri for yielding to me. I simply wanted to make it plain that I think, of all the men who occupied responsible positions in the last war, among the leaders was Gen. Patrick Hurley. I do not propose to sit in the Senate and hear anyone say, even by innuendo, that he was not one of the best, without making answer.

Mr. KEM. I appreciate the contribution of the Senator from North Dakota.

Mr. President, I was quoting from a statement issued by the State Department on November 18, 1945, in which we find this language:

> It is neither our purpose nor desire to become involved in the internal affairs of China.

By this time full-scale civil war had begun between the Nationalists and the Communists. President Truman then sent General Marshall as a special envoy to China, with the personal rank of ambassador. His task was to bring about peace and unity by broadening the Central Government to include the representatives of the large and well-organized group who were then without any voice in the Government of China.

President Truman, on December 16, 1945, stated:

> The United States is cognizant that the present National Government in China is a one-party government.

He went on to say in general that peace, unity, and democratic reform in China would be furthered if the basis of the Government were broadened to include other political elements in the country. He further stated:

> In line with its often-expressed views regarding self-determination, the United States Government considers that the detailed steps necessary to the achievement of political unity in China must be worked out by the Chinese themselves and that intervention by any foreign government in these matters would be inappropriate.

Special Envoy Marshall, however, was unsuccessful in effecting a reconciliation between the ruling party and the Communists, and on January 6, 1947, he returned to Washington to stay, being highly critical of the political and military reactionaries in the ruling party and also of the dyed-in-the-wool Communists. President Truman, in a policy statement on December 16, 1946, had acknowledged the failure of American efforts to secure peace in China.

After what has been described as General Marshall's first failure, the tempo of American withdrawal from China was accelerated. Perhaps one of the factors that may have hastened the United States decision to quit China was the obvious and unabated hostility of the Chinese people to the American forces then in China. Thus our vacillating policy at the beginning of 1947 reflected a hands-off attitude toward the Chinese situation, and the administration directed our attention to the Greek-Turkish problem, leaving the Chinese primarily to look after themselves.

Then, in July 1947, the President sent General Wedemeyer to China as his personal representative to survey the situation. The general completed his mission in September, and returned to this country. He submitted a confidential report of his findings to the President and the Secretary of State. That report has never been released to the public or to the Congress. It has been described as too hot to handle from the State Department point of view. At any rate, it was suppressed.

It would seem, Mr. President, that before the Congress embarks on such a dangerous program as is called for by the China plan, the least we can do is to place ourselves in possession of all the available facts. We ought to have all the available facts before we reach a decision. Clearly our judgment can be no better than our information.

OUR FIRST CONCERN SHOULD BE TO BUILD A STRONG ECONOMY AT HOME

Mr. President, the fourth and last point to which I wish to address myself is a point that was ably presented on the floor of the Senate by the senior Senator from Colorado [Mr. JOHNSON], whom I see now sitting across the aisle, at the time of the debate on the Greek and Turkish problem. Perhaps I cannot state the point as well as the senior Senator from Colorado stated it, but in my language it is this: Our first concern should be to build a strong economy at home.

While the sum of $463,000,000 is of course a relatively small sum compared with other gifts and grants we have made all over the earth, we must remember that it is in addition to nearly $25,000,000,000 of American taxpayers' money we have invested in gifts to governments overseas since VJ-day. We are not permitted to forget that there are further vast and extensive contributions to foreign governments already in the offing.

Our economy has already been strained to the breaking point by our unprecedented generosity abroad. We hear on every hand complaints about high prices and high taxes. We have come to face the stark fact that the cost of these gifts to foreign governments must be paid for by the head of every American family in taxes and by every American housewife in high prices. The principal reason for high prices is the fact that goods and commodities have been purchased in such large quantities by our Government and sent abroad. Undoubtedly foreign trade is fast drawing upon and dwindling our natural resources. Our traditional free-enterprise system is threatened by the lack of savings available for the accumulation of capital.

As has been frequently said, our country is only strong in comparison with the weakness of the rest of the world. The greatest contribution the United States can make to the world is to rebuild her own strength so that she can remain, as she is today, the bulwark of free government.

We have more pressing matters at home than many of the problems abroad. It is perhaps proper for the Members of this body to concern themselves with conditions of fertility in the valley of the Yangtse, but for my part I am more concerned about the loss of fertility in the valleys of the Mississippi and the Missouri. It is perhaps proper for Members of this body to concern themselves with underprivileged children in Shanghai, Hong Kong, and Canton, but for my part, Mr. President, I am more concerned with underprivileged children in St. Louis and Kansas City, in New York and Chicago. It would be far better for us first to look after our own people, develop our own resources, and stabilize our own economy, instead of bankrupting the Nation, impoverishing our people, and inviting disaster.

Of course, this is not the last foreign aid bill; this is only one of a long series which have preceded it and will succeed it, unless the American people, through their representatives in Congress, call a halt.

Since the beginning of this session Congress has been subjected to such a variety and number of requests for foreign aid similar to the gift to China that there is danger that we shall become inured to such injustices to the American taxpayer as to give our approval without careful consideration of the consequences of our action. There is danger that, having passed so many of these bills, we will not give any of them further and careful consideration. It seems to me I already sense a lack of the same careful, exhaustive, painstaking consideration of the China-aid bill that was given to the Greek-Turkish bill. There was certainly far less consideration given to the second installment of the Greek-Turkish bill than there was to the original grant for military and economic purposes in those countries.

I think it is safe to say that there are far too many fertile brains on the pay roll of the Department of State for there to be any let up in these save-the-world fantasies. If further proof is needed of that statement, I need only invite attention to a report—it may be merely a rumor—that the United States is now planning an aid-to-Japan program calling for the expenditure of some $580,000,000 the first of the year. Under Secretary of the Army William Draper, head of an economic mission to Japan, told a press conference on March 26 that such a plan had been formulated by the Army and State Departments. The program was again characterized as purely economic, and not designed to influence

the Japanese in their political attitude. The Members of Congress may take solace in the fact that the first year's appropriation, we are told, would be the largest, the succeeding grants gradually to taper off.

Mr. President, I now enter upon a subject which perhaps should not be talked about. I know that many Americans are inclined to look askance at the opinions of the Father of His Country in matters of neutrality and national defense. I sometimes think that his memory and teachings are fading from the minds of modern statesmen. When his opinions are quoted or cited in a matter of this kind we are told that he was merely a simple country gentleman; that he never went to Europe; that the only language he was ever able to speak was the native English of his family and his Virginia neighbors. We are told that although he was undoubtedly a remarkable man, judged by the standards of his time, he can hardly be compared with the master minds now available in the State Department. Finally, to clinch the argument, as a sort of a reductio ad absurdum we are told that Washington never saw an airplane, a telephone, or a radio set, and from this conclusion we are led to believe that there is no harm in the pious gesture of reading annually in this body Washington's Farewell Address once a year, so long as its teachings are wholly disregarded.

I suppose the proposition amounts to this, that in this particular field there is nothing to be learned from the past; that in the field of foreign relations this is a new day; that we should disregard entirely what has gone before.

Mr. President, I do not think even a casual examination of the facts of history will serve to bear out that proposition. For example, American scientists take great pride in their knowledge of the inner workings of the atom, but long ago Lucretius in his great poem advanced the atomic theory which he derived from the Greeks of a much earlier period. Of course, scientists working in the mysteries of nuclear energy make full use of the accumulated knowledge of all the generations that have gone before. If this is the situation in the physical sciences, is it not even more true in sciences dealing with government and society where the chief element to be reckoned with is human nature itself?

I take it it is our duty here always to be receptive to ideas which would regenerate the world, but it is also our duty carefully to examine an idea to see if in the light of experience it is sound and good. Particularly should we exercise close scrutiny to discover if the idea is not new at all, or if in fact there is a record of a history of failure behind it. We are on notice that this is likely to be the case when the idea involves human nature and the capacity of human beings for self-control and self-government. Here indeed there is little new under the sun. Where such questions as these are involved we may well expect to be able to gain valuable knowledge by studying the experiences and the testimony of great men of the past who bore the responsibility for making decisions in their day and their generation.

Mr. President, does the fact that Washington never witnessed a jet plane in flight reduce to a minimum the value of his judgment in international relations? Does the fact that Jefferson never saw the marvels of radar justify us consigning all his writings to the ashcan so far as our problems of international relations are concerned? In their role as the leaders of this infant Government it fell to them to determine what policies should be followed at the start of its career. For my part I reckon Washington as the greatest man ever born on this continent. I say that, Mr. President, with full knowledge of the present geniuses now in the Department of State.

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

Mr. KEM. I yield.

Mr. LUCAS. The Senator from Missouri seems to take particular delight in castigating those in the State Department.

Mr. KEM. I merely refer to their record, I will say to the Senator from Illinois. If he considers that to be castigation, then the word will stand.

Mr. LUCAS. Will the Senator permit me to finish my question?

Mr. KEM. Yes.

Mr. LUCAS. I thank the Senator. The Senator from Missouri seems to take particular delight in castigating those in the State Department. I lay that premise to ask the Senator a question. Do I understand correctly that it is the opinion of the Senator from Missouri that the State Department is responsible for the passage of the European recovery program measure, and will possibly be responsible for the passage of the measure now pending before the Senate?

Mr. KEM. I think the State Department had a large measure to do with its origin. I think the State Department acted as midwife at its birth.

Mr. LUCAS. The Senator evades the question completely.

Mr. KEM. What is the question? I shall be glad to answer it.

Mr. LUCAS. The Senator from Missouri has been constantly discussing the employees in the State Department and telling what bad fellows there are in that Department. What I am asking the Senator is whether or not he believes that the State Department is responsible for the passage of the European recovery program measure in the United States Senate?

Mr. KEM. I just said to the Senator from Illinois that members of the State Department, in my judgment, officiated at the birth of the whole idea; that they are largely responsible for its origin and its conclusion.

Mr. LUCAS. I regret to find my able friend from Missouri casting that kind of reflection upon the intelligence and the judgment of Members of the United States Senate, because, so far as the Senator from Illinois is concerned, he would much prefer to follow the able Senator from Michigan [Mr. VANDENBERG], who championed the European recovery program through the United States Senate, than the able Senator from Missouri; and I am not following anybody in the State Department when I make that statement.

Mr. KEM. Mr. President, in my short stay in the Senate I have been able to observe in action both the able Senator from Michigan and the able Senator from Illinois. I, too, would prefer to follow the able Senator from Michigan rather than the Senator from Illinois.

Mr. LUCAS. But in this case the Senator is not following either one of us. It so happens that the Senator from Michigan and the Senator from Illinois are on the same side so far as the European recovery program is concerned. The Senator from Missouri is not following either. The only thing I have found the Senator doing in his discussion so far is castigating those in the State Department.

May I ask the Senator one other question while I am on my feet?

Mr. KEM. I am glad to yield to the Senator from Illinois. It is always a pleasure to answer the Senator from Illinois.

Mr. LUCAS. I thank the Senator. As I understand, the Senator is against the measure now pending before the Senate?

Mr. KEM. The perspicacity of the Senator from Illinois is quite remarkable.

Mr. LUCAS. Of course, I did not think the Senator from Missouri would go into the question of the perspicacity of the Senator from Illinois, but if he wants to debate that subject, we will go into it later.

Mr. KEM. I shall be glad to discuss it with the Senator later.

Mr. LUCAS. Yes; we can do that.

Assuming to be true what the Senator from Missouri has said about our foreign policy in China, what does the Senator suggest we do, if anything, with respect to China?

Mr. KEM. If the Senator from Illinois will bear with me, I shall reach that point in the remarks I have to make, and I think the Senator, with the perspicacity he has demonstrated, will have no difficulty in determining exactly what I think we ought to do.

Mr. LUCAS. The only reason I propound the inquiry now is that I am afraid perhaps the Senator will not finish this afternoon. I am not going to be here tomorrow, and I wanted to find out exactly what the Senator had in mind with respect to what we ought to do, if anything, in regard to China. It is a perfectly proper question, and I am really interested, because I agree, to a certain extent, with some of the things the Senator has said. I know that our policy in China has not been a total success; but I should like to find out from the brilliant Senator from Missouri exactly what we can do, if anything, with respect to China. That is the point.

Mr. KEM. In case my remarks carry over until tomorrow, and in case the able and brilliant Senator from Illinois is not present in the Chamber, I shall obtain his address from the Secretary to the minority and send him a copy of the CONGRESSIONAL RECORD by air mail.

Mr. LUCAS. That is exactly the way many Senators do when they are asked a real question which gets to the meat of the situation, and when they are asked what they would do. They tell us that

they will send us a copy of the speech the following day. Now is the time for the Senator from Missouri to tell the country what he would do with respect to our foreign policy in China, and not wait until tomorrow.

Mr. KEM. Mr. President, I prefer to develop my argument in my own way. I am unable to accept the well-meant suggestions of the able Senator from Illinois.

Mr. LUCAS. It is always easy, Mr. President, to tear down a house. Many men who can tear down a house cannot build one. I should like to have the Senator tell us about a policy for China.

Mr. KEM. I have already told the Senator that I expect to suggest a policy which will be so definite and clear-cut that even the Senator from Illinois will have no difficulty in understanding it.

Mr. LUCAS. I doubt it.

Mr. KEM. I think I was saying that we may well expect to gain some knowledge by studying the experiences and the testimony of the great men of the past who have borne the brunt of making decisions in their day and generation. Therefore, simply because Washington never saw a jet plane and Jefferson never saw radar, I do not think we ought to discard to the limbo of uncertainty their testimony and their experience.

Let me reiterate, when we are called upon to deal with questions with respect to which the underlying conditions are in their essence constant, such as those in the field of international relations, we shall not go far wrong if we consider their advice today.

I am surprised, Mr. President, that I have not already been interrupted by some Senator saying, "Of course, you overlook the fact that with modern means of transportation we have one world, and that with technological advances in means of transportation and communication, as well as the development of powerful new weapons of destruction, the peoples of the world are constantly being drawn closer together in social, economic, and political relationships." We are told that because of this situation it is no longer possible for one nation long to remain aloof from the swirl of events in an ever-narrowing world. As I understand, advocates of the One World concept maintain that it is to the ultimate advantage of the United States to take the initiative in the field of power politics and mold world opinion to conform to our democratic concepts; that if necessary we should establish well-defined spheres of influence, to be held at all costs; that we should do this initially by dollar gifts, and then if our gold wall crumbles, I suppose it follows as a necessary corollary that American troops should be thrown into the breach.

Mr. President, a necessary corollary on the One World concept is this: It involves the deployment of American troops to all corners of the globe to protect our declared interests and dollar investments. We have already seen how the process works. We send out the money; then we send out the military mission; then we are told, "We cannot turn back; our prestige is involved; American interests are concerned."

At the present time we find ourselves committed in Greece and Turkey. We have, in effect, established a frontier on the Dardanelles and on the Hellespont. Increasing numbers of American troops—in an advisory capacity, to be sure—are being sent out to back up American dollars. Already we have hints that the blood and the advice of these and many others will be needed if we are to retain our foothold in that part of the world.

The One World concept, when carried to its logical conclusion, involves the presence and participation of our soldiers, not in one isolated sector of the globe, but in all potentially troublesome areas. Thus, today we find ourselves practically committed to defend the whole of western Europe, and are now asked to take the first step leading to a commitment to defend the frontiers of China.

It is my opinion, Mr. President—and I defer to the opinion of men in this body many years my senior in experience and service here—that the American people are not now, and in the near future will not be, willing to have their sons slaughtered in the implementation of this foolish concept. It is my opinion that it is a concept alien to the feelings and sensibilities of every honest-to-goodness American.

Mr. President, I have had something to say about the policies of the founding fathers. I know that they are familiar to every Senator, but I want to refer to them briefly for the RECORD. What were the policies of Washington which seem to have particular reference to these times? In the first place, he repeatedly warned us to steer clear of entangling alliances with any portion of the foreign world, and not to interfere in the internal affairs of other countries. Even before he was chosen President, Washington wrote to Sir Edward Newenham as follows:

> I hope the United States will be able to keep disengaged from the labyrinth of European politics and wars.

Later he said:

> I have always given it as my decided opinion that no nation had a right to intermeddle in the internal concerns of another; that everyone had a right to forward and adopt whatever government they liked best to live under themselves; and that if this country could, consistently with its engagements, maintain a strict neutrality and thereby preserve peace, it was bound to do so by motives of policy, interest, and every other consideration that ought to actuate a people so situated as we are—

Mr. President, attend these words—

> already deeply in debt, and in a convalescent state from the struggle we have engaged in ourselves.

Mr. President, I wish that those phrases could be written on the heart of every Member of this body.

In July 1791 Washington stated:

> I trust we shall never so far lose sight of our own interest and happiness as to become unnecessarily a party to their political disputes.

Again, in 1793, Washington said:

> All our late accounts from Europe hold up the expectation of a general war in that quarter. For the sake of humanity I hope such an event will not take place. But if it should, I trust that we shall have too just a sense of our own interest to reject any cause that may involve us in it.

In a letter to Patrick Henry on October 9, 1795, Washington said:

> My ardent desire is, and my aim has been—as far as depended upon the Executive department—to comply strictly with all our engagements, foreign, and domestic, but to keep the United States free from political connections with every other country, to seem independent of all, and under the influence of none. In a word, I want an American character, that the powers of Europe may be convinced that we act for ourselves and not for others. This, in my judgment, is the only way to be respected abroad and happy at home.

That was Washington speaking.

The other great policy of Washington which seems to have most immediate connection with our own times, was set forth at the very beginning of his administration, and was by him regarded as essential to the safety, the success, and the future of the United States. In his address to the Congress on the 8th of January 1790, he said:

> Among the many interesting subjects which will engage your attention, that of providing for the common defense will merit particular regard. To be prepared for war is one of the most effectual means of preserving peace.

Again, on December 3, 1793, he said to the Congress:

> If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.

I seem to sense that some of the Members of this body are somewhat amused at quotations from Washington. They seem to consider him a simple country gentleman. But, Mr. President, his accomplishments speak for themselves.

One other important point to be remembered is that when Washington announced a particular policy, he did it with a full realization of its dangers and difficulties, and with a complete intention of carrying it out. He was emphatically a man of action; and he never came to a momentous decision, either in peace or war, without being prepared to act as the circumstances demanded.

What a contrast we find today. So confused, inept, and bungled is our foreign policy, so crowded with reversals and contradictions, that it seems evident that the present occupant of the White House not only is unaware of the dangers and difficulties involved when he announces a particular policy; but, once having reached a decision, he is not prepared in any sense to carry it out.

Perhaps some Senators will say that the Senator from Missouri does not appreciate the significance of this One World in which we live. Perhaps it will be said that the Senator from Missouri is lacking in appreciation of the atomic age. Perhaps I shall be reminded by Senators that modern means of communication have brought Europe and America and the rest of the world close together. But it seems to me that the new American policy, developed and im-

plemented and put into action in the light of these developments in the world of the physical sciences, has had a rather thorough test. We have fought two world wars. We have spilled a tremendous amount of American blood. As a minor matter, we have spilled a great deal of money and natural resources. We destroyed the Kaiser, only to raise up Hitler. We destroyed Hitler, only to raise up Stalin.

Mr. President, war has been the business of Europe ever since the dawn of recorded history. There is absolutely nothing in the present picture to indicate that it will not continue to be the business of Europe beyond the day of any man now living.

The China-aid plan now under consideration is diametrically and utterly opposed to the teachings of the Father of His Country. I hope we shall not lightly disregard those teachings. I hope we shall apply them without fear or favor.

Now I come to the plan which I have to suggest. There is nothing new or novel about it. The fact of the matter is that I have previously presented it on the floor of the Senate. I regret greatly that the able and distinguished Senator from Illinois, who pressed me for my plan just a few moments ago, is not now present, but I hope he will read in the CONGRESSIONAL RECORD what I have to say at this time, and I hope he will consider it for what it may be worth.

I have three proposals, and I urge them again for the careful consideration of the Senate and our 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 employment under the Government of the United States and make it as difficult as possible for them to return.

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, for those reasons I shall vote against the pending bill.

Mr. LANGER. Mr. President, I am very much interested in Senate bill 2393, which has been under consideration today and has been presented to us by the Foreign Relations Committee. A reading of the bill informs us that the purpose is—

> To promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

I wonder when the Senate will get around to providing aid to the people of these United States. Yesterday I was in New York City. I was there with other Members of the Senate in connection with an investigation of a pneumatic-tube installation which has been in use there ever since 1905. Mr. President, what pay do you suppose those laboring men who for years and years and years have worked for our Government, are receiving from the Government of the United States which is so much interested in heading off communism. One would expect that they would receive at least as much as the United States Department of Labor has said it takes to enable a father and mother and one child to live decently. Our Department of Labor sent its experts to New York City, and for 7 months they labored there long and hard. They discovered that a governmental worker should not have a new hat every year, and that a man having two union suits should make them last 2 or 3 years. The testimony before our committee showed that some of those people have not had butter for months. Wives testified that their little children get meat once a week—a kind of goulash. Good hamburger, Mr. President, sticks together. They get hamburger, but it is so poorly made that, no matter how much it is fried or boiled it simply does not stick but makes a soggy mass.

We discovered yesterday in New York that of the people who have worked for our Government, some of them for more than 20 years, one of them for 32 years, a part of them receive the great sum of $2,500. The majority of the Government workers in New York get $2,000 a year. But we are so busy heading off communism, and so busy in foreign lands, that I doubt that very few Senators know that a GI who has returned home, with a wife and child, and who has obtained a job as a mail handler for the United States Government, gets the munificent sum of $1,900 a year. That, Mr. President, is what he fought for—the right to come home and to starve at the hands of his Government.

When I was in Philadelphia a short time ago more than 98 GI's telephoned me. They were men without influence, who had tried to enter the taxicab business. The 98 GI's had organized a corporation. The corporation was refused a license. The 98 men decided to apply for individual licenses which would permit them merely to drive a taxicab in the United States of America and to charge a fare for doing it. Licenses were refused.

In all the city of Philadelphia there are only 1,500 taxicabs. With a population of almost 2,000,000, and with an area of 135 square miles, there were but 1,500 taxicabs. In the city of Washington there are more than 10,000 taxicabs. Testimony was introduced showing overwhelmingly that on a rainy day a man or a woman has to wait 2 hours to get a taxicab.

The 98 veterans of World War II who applied for taxicab licenses, which were refused, finally decided that certainly, under the great Constitution, the United States Government would protect them in earning a living, so they decided to haul people for nothing and to take their chances on tips. What happened? The regular taxicab companies sued out an injunction which kept the 98 GI's, a majority of whom were married, from making a decent living. Those GI's have been in court now week after week, month after month, in an effort to obtain the opportunity of earning an honest living in the city of Philadelphia. To date they have been unsuccessful.

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

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

Mr. MAGNUSON. I was interested in what the Senator had to say regarding the pay of Government workers. I was wondering if the Senator, as chairman of the Committee on Post Office and Civil Service, could inform the Senate as to when the committee might report a bill on the cost-of-living raise for postal employees, and what the plans of the committee are.

Mr. LANGER. I may say to my distinguished friend, the Senator from Washington, that owing to the fact that the distinguished Senator from Montana and myself were in New York on the pneumatic-tube investigation, the meeting scheduled for this morning was not held, but it has been reset for tomorrow morning, at which time it is expected the pay-raise bill, not only for postal workers but for other Government employees will be reported. It has not yet been determined whether all employees will be included within one bill, or whether the postal workers will be placed in a separate bill. In either event, the committee will, tomorrow, we hope, report one bill or both bills simultaneously.

Mr. MAGNUSON. I thank the Senator.

Mr. LANGER. I may add that the subcommittee, consisting of the Senator from Vermont [Mr. FLANDERS], the Senator from New Mexico [Mr. CHAVEZ], and myself, submitted its report about 5 weeks ago. After the bill had been reported unanimously, the Senator from Vermont decided to take additional testimony, and he has been conducting hearings for the last 5 weeks. That testimony is being taken, I may add, because the President of the United States instructed the Committee on Post Office and Civil Service to see if we could not revamp the entire classification system.

Mr. President, I have in my hand the testimony of the representative of the Labor Department, Mrs. Hoover, who is in charge of an investigation in New York and other places, stating exactly what it costs in the various places to support a family. The cost in the cities of Washington, New York, and Los Angeles is roughly $3,300 a year. It varies, but it averages about $3,300. In New Orleans and one or two other places it is slightly less, but in any event it is approximately $3,300. As I said, the GI's are getting $1,900 as mail handlers. If they work hard they receive a promotion at the end of a year, with an increase in pay of $100, making $2,000. Then if they work harder for another year, they get another $100 raise, making $2,100. If they work still harder, they get another $100 raise at the end of the year, making $2,200, and at the end of another year, $2,300. If they work real hard, they get another raise of $100, making $2,400, and if they work extremely hard, they get another $100 raise, until finally, at the end of 7 years, they receive $2,500. After that, no matter how hard they work, they are through—$2,500 a year is all that this great Government of ours, that wants to give $463,000,000 to China, will pay the

GI mail handlers—$2,500, and not one thin dime more.

We investigated to see how these people could live on $1,900 a year. In some cases the wife works. In other instances, after the GI has worked good and hard all day, he gets a job at night. He works until 1, 2, or 3 o'clock in the morning. We can imagine how that affects his health.

Some of these GI's go to school and live in trailer camps. It was suddenly found that money was needed so badly at some of the little trailer camps that the rent was raised from $20 to $25. They still did not have enough money, so it was raised to $30 and, in some instances, to $35. So the GI who came back, after fighting for his country, is paying, in some instances, on the campuses of some of our schools, $35 a month rent.

A letter regarding the subject was placed in the RECORD, and I have more letters from home, but there was no particular interest manifested on the part of anyone. No one was willing to give them $463,000,000. That sum was going to the Chinese.

In my State we have many farms, and, under the law, up to the time of the war, a farmer had 160 acres. A board told him how much of that acreage he could seed. One poor, unfortunate farmer in my State, living near Ashley, N. Dak., seeded a piece of land which followed a creek. It is located in one of the few counties of my State in which stone is found. In following the creek the farmer could not figure out exactly the acreage. He overseeded approximately a half acre, and this great Government of ours would not pay him his soil-conservation money. He lost it entirely because, in following the creek, he had overseeded a half acre of land.

I noticed the other day a news item to the effect that a farmer had taken a similar case to the Supreme Court of the United States. The Chicago Tribune contained a very fine editorial on the subject, showing how this Federal bureaucracy operates. The farmer could not get anywhere in the Supreme Court of the United States.

We have crop insurance. Up to 4 or 5 years ago, if a farmer wanted to insure his crop, he would go to a private company; but now there is Government crop insurance. He figured that if anything happened to his crop he would be paid. Ninety-nine farmers out of a hundred believed that. They believed they were insured against everything but insects. Last year in my State a couple of farmers stored their grain, one of them in a galvanized tank and the other in a wooden granary. A flood occurred which spoiled many bushels of grain. Did the Government pay the farmers for their loss? I should say not. They were not insured against water, although they thought they were. The Government, under its insurance program, has to save every single penny, because the Nation has a debt of $259,000,000,000, and every tiny bit of money possible must be saved. So, of course, the Government could not pay those farmers insurance, and their grain lies there, spoiled by water. I looked at it myself. Three or four insurance representatives have been there to look it over, but they could not pay the farmers.

I have not time to go into details, but I am sure Senators are familiar with what happened to the farmers of North Dakota, South Dakota, Montana, and other States on April 19, 3 years ago. The farmers in that area had a crop after nine long years of drought. The price of wheat was approximately $1.50 a bushel. Before they could receive any money the farmers at threshing time wrote to their great Government in Washington. I mention this great Government, and I shall mention it further, because the President of the United States, on Saturday night, said that if Mr. Wallace did not like this country he could get out and go to the country he does like. I submit, Mr. President, that such a statement by any President of the United States is unwarranted. I submit that Mr. Wallace has a right, as has Harry Truman, to stay in this country as long as he pleases.

I want to make this further statement, that Mr. Wallace presided over this body for four long years, and whether we agree or disagree with his political beliefs, in my judgment, at least, Mr. Henry Wallace is as patriotic, as honest, and as good a citizen as is Harry Truman, the President of the United States. I am proud to have had the friendship of Mr. Wallace, whom I have not seen for approximately a year. He used to sit on the dais. I am proud of the fact that I was in the Senate and heard and saw him preside over this body.

Certainly, Mr. President, it does not do the unity of this country any good, and does not help to make our people united, for the President of the United States to give that kind of a talk regarding a man who has held the office of Vice President of the United States of America. The President knows, when he invites Mr. Wallace to go to some other country, that he is not hurting Mr. Wallace. Rather he is hurting himself and is lowering the dignity of the great office of the Presidency of this country.

Mr. President, I come back again to the farmers in the Northwest, and I return to the date of April 19, 3 years ago. It will be remembered that out of a clear sky the farmers who had received loans from the Government were advised that such loans were not due until April 1, 1945. The loans had been made in the fall of 1944. They were secured by the grain in the granaries of the farmers all over America. In the month of January 1945, they received letters saying, "Bring in your wheat. We are calling the loans. We are asking you to pay your notes now." The notes were not due until the following April. The Department of Agriculture knew that the farmers could not pay their notes unless they sold their grain. That was another instance of helping out the hungry in Europe. The farmers who were patriotic and who wanted to help Europe brought in their wheat.

On April 19, Mr. President, with a committee headed by the late Mayor LaGuardia, of New York, I went to the Secretary of Agriculture, Mr. Anderson, and it was decided to go to Climax, Minn., and to Fargo, N. Dak., and pay a premium of 30 cents a bushel to those farmers who had been unpatriotic or, for some reason, had not brought in their wheat. They were told, "If you bring in your wheat we will pay you a premium of 30 cents a bushel." Yet, when we introduced a bill to pay the farmers a premium we were unable to have the bill passed. We were unable to get the Secretary of the Treasury to endorse it. For that matter, we could not get the President or any member of the Cabinet to endorse it. They said the Nation could not afford to pay the extra 30 cents to the farmers, that it did not have the money. It had $463,000,000 for the farmers of China, but no money for the farmers of the United States.

I remember one day when we were debating a tax bill, a year ago, the distinguished senior Senator from Florida [Mr. PEPPER] rose to offer a minor amendment. He said, substantially, that when a banker or a businessman goes to a convention he can deduct the expenses of his trip from his gross income. He said, "The president of the National Education Association appeared before us and said to our committee that school teachers in most of the States have to go to summer school, and it costs $200 to go to summer school."

Mr. President, sitting beside me here is the Senator from Nebraska [Mr. WHERRY], the acting majority leader. I always like to visit with him, he is so kind and courteous. I assure him I am not going to talk all afternoon. He can go to his office, if he cares to do so, and work for a while, and return, and I shall be delighted to see his face when he comes in.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. WHERRY. I thank the Senator very much for his kind words. It is always a pleasure to work with him. I assure him that I shall not be gone very long, because I want to hear what he has to say. But I did wish to know how long he would address the Senate, in order to prepare the program for the remainder of the afternoon.

Mr. LANGER. I say to my distinguished friend, the Senator from Nebraska, that I will do anything in the world to cooperate with him. I will take a long time, or take a short time, as he may wish.

Mr. WHERRY. I thank the Senator.

Mr. LANGER. As I was saying, Mr. President, the distinguished senior Senator from Florida offered an amendment providing that school teachers should be allowed to deduct the $200 it cost them to go to summer school; and, mind you, they have to go in some States or they lose their certificates. The Senator did not ask in his amendment that the whole $200 be deducted from the tax. He said, "We will take the expense off the gross income. It will amount to only $5 or $6 to the average school teacher." But this great body, giving $463,000,000 to China, would not give the school teachers of the United States five or six dollars in the way of deduction from their income tax.

That is a fact, Mr. President. That is the record.

I may say to the present Presiding Officer that although he was not a Member of the Senate at the time, if he will read the record of the debate when the pay of the Members of this very body was increased, he will find that some of us offered an amendment. We said the aged of America were getting only $40 in the way of assistance—at that time the Government matched $20 with the States—and we wanted to raise that. My amendment provided for $100 a month for aged persons. After a great deal of argument and debate, it was finally decided to appoint a committee to investigate how much the old people needed. In the meantime, to help them along, they were given the great sum of $5 a month additional—$5 a month. The investigation started 2 years ago, and the committee is still investigating. There has been no report from that committee, and the old people are still dying. We have not $463,000,000 for those old people—we have $5 a month.

That is not all, Mr. President. If one of those aged people has a little home, in the vast majority of the States, a little, tiny home, or an insurance policy, or a horse, or a cow, he has to sign it over to the welfare board of the State, and the welfare board sells it and gives the Government of the United States 50 percent of the proceeds. The Government is so hard up for money that it treats an old pioneer or his widow as one woman was treated in my State. In a little town in North Dakota I knew a woman who had a small, gold wedding ring. The welfare board sold that ring, and the United States Government got one-half the proceeds. That is how hard up the Government is. But it has $463,000,000 for China. Last week it had $375,000,000 additional, if I remember correctly, for the people of Turkey and Greece. A few days before that the Government had $4,600,000,000 for the Marshall plan.

Mr. President, what is proposed to be given by the bill now pending is not the only money China will have received. I have here the record. Communism has been fought in China very hard, if the amount of money China has been given is any criterion. I have the information from two sources. First is the World Almanac, and I have it again in the official document, "European recovery program," which states the amounts of money which have been given to various countries, not including the money to be given China under the pending bill.

How much would any Senator suppose has been given to the Chinese—not to our veterans, not to our farmers, not to our teachers, not to our aged, but to the Chinese in China? Aside from the amount they will receive under the bill now being considered, under United States postwar foreign assistance there has been given since the war $1,099,000,000, not counting what is proposed to be given to China today.

Mr. President, how much is $1,000,000,000? I live in a State which is one of the largest in area in the United States. If we were to include every single acre of land, every single village, and town lot, every building on the farms and in the towns, all the bank deposits, all the horses, sheep, cows, goats, and, I will also throw in the dogs in order to make the picture full and complete, what would the total assessment be? When I was Governor of North Dakota the total assessment of the State was $931,000,000; not even $1,000,000,000.

Several days ago the Senate adopted the Marshall plan. I did not vote for it. It provided for $4,600,000,000. The distinguished Senator from Missouri [Mr. KEM] in his address made in connection with that plan said—although I did not verify the figures myself—that the amount involved equaled the assessed valuation of the 17 smallest States in the Union.

As I stated the other day, the elephant ought no longer to be used as a political emblem nor should the donkey be used as a political emblem by those engaged in such a bipartisan policy. The emblem used by them should be the scoop shovel. Such an emblem should be worn on their lapels. A scoop shovel as an emblem is something which the average farmer would understand when he saw it.

Mr. President, the other day I picked up a newspaper and read an article which said that Maj. Gen. Philip Fleming, the head of the Federal Works Administration, wanted $75,000,000,000 for his 15-year program for roads and new buildings which he has outlined and filed with the President. Where is that money coming from?

When one of the first postwar loans was made I asked that the committee proposing the loan have a survey made to find out how much we in America needed, and then if we had anything left we could give some of it away. Such a survey has not yet been made. But Mr. Fleming says he needs $75,000,000,000 for his 15-year program.

In the House there is a Committee on Health, headed by a very distinguished Representative named KEEFE from Wisconsin. The other day he made a report in which he said that $8,000,000,000 was needed for the next 5 years for health purposes alone; $75,000,000,000 and $8,000,000,000 are $83,000,000,000. I do not know how much more our veterans are going to need as the years go by, but the amount will certainly constantly increase. Every time we give away some more money we must pay interest on it, because we do not have the money; we must borrow it. So in a short time we will be paying $6,000,000,000 a year in interest.

Then, of course, we still have our Indians who are starving to death. No one is worrying about the poor Indians. Oh, the President sent Congress a message one day and said we should give the Navajo Indians $2,000,000, but, after all, he said, most of it could be used for buildings and education. Those Indians have been starving. I placed in the RECORD a few days ago a statement showing that some of them do not eat for a period of 2 or 3 days at a time. Last summer I visited the Torres-Martinez Tribe in California. Hunger, want, and suffering were evident on every side. The tribe is composed of only 300 members. No money is provided for them.

Let us consider another angle. I would gladly follow the Foreign Relations Committee and I would gladly follow the State Department, but the trouble is that they are wrong practically all the time. One event following another event proves them to be wrong. Only yesterday the head of the Flying Tigers, General Chennault, said that the entire Chinese situation could have been cleaned up several years ago.

Let us now consider Germany. A great deal has been said about Germany. Yesterday the New York Times carried an article, from which I wish to read, which completely refutes statements which have been made by those who say we were treating Germany all right. I went to the law authorities one day and asked when in heaven's name they were going to stop denazification. I was told, "That does not amount to anything over there any more. There are only some 30,000 or 35,000 persons involved." On the front page of yesterday's New York Times appeared an article relating to that matter. I read as follows:

> The facilities of the United States military government denazification branches will be made available to the German agencies to help complete the denazification job.

It is now 2½ years after the war, Mr. President, and there has been denazification and more denazification and still more denazification. American lawyers from almost every State in the Union have been engaged in such work, and so have many judges taken from our American benches.

The article continues:

> As of March 1, there were about 450,000 persons awaiting trial, mostly in the "follower" category. It is expected under the new semiamnesty virtually all will be released quickly with a small penalty or none.
>
> Since the law became effective—

And at last we have the figures, and it is just as difficult for me to get those figures now as it has ever been. We have never succeeded in obtaining the figures. We did not secure the figures in the Subcommittee on Displaced Persons of the Committee on the Judiciary. It was as impossible for us to obtain the figures as it would be for any Senator to obtain the agreements entered into during the last 10 years by the heads of the various governments.

This is what the Americans did in Germany:

> Since the law became effective 12,278,000 were registered, 3,243,000 were found chargeable, and 2,000,000 received direct amnesty.

So, Mr. President, there were found chargeable 3,243,000 men and women who are professors, doctors, scientists, individuals, who could work.

A year ago I read an editorial from Collier's magazine which showed how badly denazification had worked. After individuals had once been denazified it did not mean anything, because if they were charged again with being Nazis they would have to be denazified a second time. Then, if someone charged them again, they were denazified the third time. So all this time those men and

women who wanted to work could not work.

Now we come along with another great law, a law which is going to take care of 50,000 displaced persons, or 100,000 over a 2-year period. How do we treat the Germans in that connection, Mr. President? There are only 1,323,000 displaced persons in Europe. When the Russians came down, the Sudetenland went into the American and British occupied zones. That area had a population of between 14,000,000 and 15,000,000. We took such good care of them that between 4,000,000 and 5,000,000 of them died. No one knows what became of them. There are 10,000,000 left.

A while ago we drew up the charter of the International Refugee Organization. The United States was a party to that organization. In the United Nations Charter, the very first paragraph in section 3 states that the purpose is to wipe out all social and cultural distinctions based upon race, color, creed, language, or sex. What do we find? The same people who were going to reform the world, and bring about a condition under which the white man would march down the street with his arm around the black man, all over the world, through the International Refugee Organization barred any person of German ethnic origin, even though he was against Hitler, even though he was the greatest scientist in Germany, even though he entered the United States Army and fought. Unless he was admitted under the provisions of some other legislation, he could not get in under the International Refugee Organization.

Mr. President, I am opposed to any discrimination based upon race, color, or creed. I think my votes upon the floor of the Senate have shown that. The United States Senate ratified the charter of the International Refugee Organization, which barred any person of German ethnic origin. The other day in the Judiciary Committee when I tried to have that provision amended the amendment was defeated 5 to 4.

Mr. President, the man who votes that way does not realize that the dome of this very Capitol was designed and built by a man of German ethnic origin. The Library of Congress was designed and built by a man of German ethnic origin. The Post Office, within sight of the Senate Office Building, was designed and built by a man of German ethnic origin. The famous painting of Washington Crossing the Delaware was painted by a man of German ethnic origin. The painting entitled "Westward the Course of Empire Takes Its Way," was painted by a man of German ethnic origin. The father of the civil service, Carl Schurz, who was once a Member of this very body, was also a man of German ethnic origin. Not so many years ago a majority of the members of the Cabinet were men of German ethnic origin.

In this country we have nearly 30,000,000 people of German ethnic origin. They are scattered all over the country. And yet we ratified the International Refugee Organization charter, which bars the relatives of any of those 30,000,000 people, whether they live in California, in Minnesota, in Missouri, or any other State. The father, mother, sister, or brother of a citizen of this country cannot be brought to the United States if he is of German ethnic origin.

Mr. President, I shall do everything possible to defeat the so-called displaced-persons bill. How significant it is that those who are trying to have that bill passed have upon their pay roll—and I placed the figures in the RECORD the other day—registered lobbyists drawing $152,000 a year. Some of them receive as much as $15,000 a year. I am sure that if American citizens of German ethnic origin, some of them 300, 400, or 500 years removed, could understand that situation, they would be here with petitions asking that these people be not discriminated against. We have people of German ethnic origin in Indiana, Illinois, Wisconsin, and many other States.

Mr. President, that has been a part of the foreign policy of our Government. I was interested when the distinguished senior Senator from Illinois [Mr. LUCAS] asked the distinguished Senator from Missouri [Mr. KEM] this afternoon who formulated the foreign policy, whether it was the Department of State or this body. I was interested in the reply, because I have always been convinced, and I am now convinced, that the policy is formulated by the Secretary of State and by the State Department. The department submits its recommendations to various committees. Not many changes are made as between what is recommended and what is reported by the committee.

I wish to make clear to the American people how much foreign aid we have handed out. First of all, I wish to refer to previous aid to China. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks that section of the committee's report beginning on page 6, headed "Previous aid to China."

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

PREVIOUS AID TO CHINA

The Department of State has submitted to the committee the following estimates of previous American aid to China:

United States Government economic, financial, and military aid to China since 1937

[In millions of United States dollars]

Pre-VJ-day:	
Export-Import Bank credits	120.0
1942 congressional credit	500.0
Lend-lease	849.4
Subtotal	1,469.4
Post-VJ-day:	
Lend-lease:	
Military	728.0
Civilian pipe-line credit	49.6
Naval aid	17.7
Surplus and excess property credits:	
Office of Foreign Liquidation Commissioner dockyard credit	4.0
West China credit	20.0
Maritime Commission credit authorization	16.5
	40.5
Post-VJ-day—Continued	
Export-Import Bank credits	82.8
UNRRA:	
United States 72-percent contribution applied to China program (FAS plus 25 percent for shipping and insurance)	465.8
Contribution to Board of Trustees for UNRRA equipment and funds	4.7
United States foreign relief program	45.7
United Nations International Children's Emergency Fund	2.1
Subtotal	1,436.9
Total	2,905.8

Since figures for certain surplus-property sales were not included in the above total, the State Department subsequently furnished the committee with the following supplemental figures in a letter to the chairman, dated Mar. 19:

Type of surplus	Procurement cost	Sales price or value realized
Civilian-type surplus property in China, India, and 17 Pacific islands	$824,000,000	$175,000,000
Rifle ammunition	6,566,589	656,658
TNT	275,000	99,000
Air Force equipment	9,449,850	935,312
Naval vessels	70,589,298	(gift)
Transport aircraft	34,800,000	750,000
Ammunition	4,441,337	44,413
Air Force equipment	25,292,365	4,426,163
Total	975,414,439	181,911,546

The State Department emphasizes that it is impossible to draw up a total for the surplus-property transactions since in some cases the surplus stocks are still in the process of being transferred and the full value of the property will not be known until the transfers have been completed. The above figures, therefore, are only estimates in some cases.

The committee agreed that the extent of such aid underscores once more the fundamental and traditional interest of the United States in the welfare of China.

Mr. LANGER. The total shows that to date we have given to China $2,905,800,000, or five times the assessed value of every acre of land and every piece of property in five States the size of North Dakota. I make the prediction that a year from now they will be back asking for a billion dollars more.

How much have we given to other countries, Mr. President? Referring again to the United States postwar foreign assistance, as listed in the World Almanac, we find that between July 1, 1945, and June 30, 1947, we gave to the 16 countries that participated in the tariff conference, $1,943,000,000. We gave to Austria $184,000,000; to Belgium and Luxemburg, $61,000,000; to France, $21,000,000—that was just during those 2 years; to Greece, $624,000,000; and to Italy, $595,000,000. We helped the Netherlands, Norway, Sweden, Switzerland, Turkey, and the United Kingdom. During that time the United Kingdom received from us $334,000,000. We also helped Czechoslovakia. By the way, Mr. President, I understand that Joe Stalin now has something to say about running that country. During the period I have mentioned, we turned over to Czechoslovakia $174,000,000. I wonder how much of that money Joe Stalin has his fingers on now. We gave to Ko-

rea, to the Philippines, and to all the other countries listed in the statement.

I have before me at this time the Twenty-fifth Report to Congress on Lend-Lease Operations, as prepared for the Department of State by John W. Snyder, Secretary of the Treasury, on November 12, 1947. I ask unanimous consent to have placed in the RECORD at this point statement No. 1, covering pages 2 and 3; and statement No. 2, covering pages 5 to 9.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT I

DEFENSE AID PROVIDED

Total defense aid provided includes goods and services (1) covered by expenditures and (2) covered by accounts payable which represent goods and services received by the procuring agencies, but not yet covered by expenditures.

SOURCE OF DEFENSE AID PROVIDED

Appropriations are made to the President for the procurement of defense articles and services, and appropriations to the War and Navy Departments, the Maritime Commission, and Coast Guard contain the authority to finance transfers made under the terms of the Lend-Lease Act. Funds are also received in advance from foreign governments for the procurement of defense articles and services not eligible for transfer as straight lend-lease. The Munitions Assignment Board, established in January 1942, assigns military equipment on the basis of production and the needs of the foreign government concerned regardless of the funds used in procuring the articles. This resulted in the pooling of all finished munitions and the War and Navy Departments could no longer determine whether a particular defense article transferred to a foreign government was procured from funds appropriated to the President for lend-lease purposes or from their own appropriations. (For a more complete discussion see pp. 57, 61, and 62, of the March 11, 1944, Report of the Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad.)

The DDA Reports of lend-lease obligations and expenditures made to the Lend-Lease Fiscal Operations, Treasury Department, by other Federal agencies cover only funds appropriated to the President and foreign government funds. These DDA Reports, however, do show the total defense aid provided regardless of funds. The amounts shown as the source of funds used for "Defense Aid Provided" by other agencies are computed from the certified DDA Reports received quarterly from these agencies. While it is not possible to relate individual articles or services rendered with the appropriations from which financed, it is, however, evident that on an over-all basis by deducting the expenditures and accounts payable reported as applicable to Lend-Lease Administration funds and foreign government's funds from the total defense aid reported, the difference (other than the exceptions noted in the next paragraph) had to be financed from appropriations made directly to these agencies.

Defense articles returned by foreign governments and those transferred from other Federal agencies to the War and Navy Departments are commingled in the common inventory of the respective departments and the identity of these articles as to source is lost. It may be that some of these articles have subsequently been transferred to a foreign government. This analysis of the method of financing total defense aid provided does not reflect any such transfers.

Statement of operations under the Lend-Lease Act, cumulative through June 30, 1947

Type of defense aid	Charged to foreign governments	Not distributed by foreign governments	Total
Transfers to foreign governments	$44, 228, 324, 404. 90		$44, 228, 324, 404. 90
Services and other expenses	3, 534, 903, 377. 68		3, 534, 903, 377. 68
Consignments to commanding generals	632, 007, 595. 95		632, 007, 595. 95
Transfers to Federal agencies		$725, 589, 141. 95	725, 589, 141. 95
Losses on inventories and facilities		31, 072, 272. 57	31, 072, 272. 57
Production facilities		720, 641, 686. 66	720, 641, 686. 66
Miscellaneous charges		332, 200, 098. 31	332, 200, 098. 31
Administrative expenses		39, 257, 580. 77	39, 257, 580. 77
Total defense aid provided	48, 395, 235, 378. 53	1, 848, 760, 780. 26	50, 243, 996, 158. 79

Source of funds

From funds appropriated to—	
Lend-Lease Administration	$25, 231, 776, 585. 66
War Department	19, 488, 377, 685. 32
Navy Department	4, 745, 554, 742. 96
Maritime War Shipping Administration)	620, 647, 410. 38
Coast Guard (Treasury)	12, 965, 897. 56
From foreign government funds	[1] 143, 631, 442. 20
From reissues of returned lend-lease articles	1, 042, 394. 71
Total	50, 243, 996, 158. 79

[1] In addition, the foreign governments have paid approximately $900,000,000 to the United States for lend-lease items purchased out of U. S. Government funds. This money has or will be reappropriated or deposited to the general fund of the Treasury.

STATEMENT II

This statement summarizes by appropriation title (category) and country total defense aid provided from funds appropriated by the Congress to the President for lend-lease purposes, authorization by the Congress to the War and Navy Departments, the Maritime Commission, and the Coast Guard to use their own appropriations for lend-lease aid and funds deposited by foreign governments for the procurement of articles and services on a cash reimbursement basis.

The statement is prepared in two divisions, (1) lend-lease aid charged to foreign governments and (2) lend-lease aid not distributed by foreign governments. The column headings (appropriation title) are in accordance with the subdivisions of the Lend-Lease Appropriation Act.

The statistical data necessary for the preparation of this statement are taken from the quarterly reports submitted by the agencies participating in the defense aid program.

Statement of defense aid provided by country and by appropriation category, cumulative through June 30, 1947

	Total	Ordnance and ordnance stores	Aircraft and aeronautical matériel	Tanks and other vehicles	Vessels and other watercraft
Charged to foreign governments:					
American Republics:					
Bolivia	$5, 523, 113. 77	$144, 489. 07	$4, 325, 346. 20	$78, 376. 66	$17. 19
Brazil	372, 018, 982. 63	41, 331, 636. 61	87, 716, 852. 89	55, 011, 224. 00	82, 374, 153. 10
Chile	21, 603, 647. 88	6, 731, 093. 89	8, 930, 123. 98	2, 575, 359. 84	1, 505, 363. 41
Colombia	8, 264, 954. 63	594, 045. 08	4, 041, 170. 72	817, 732. 43	632, 928. 31
Costa Rica	156, 330. 15	34, 422. 34		51, 540. 84	
Cuba	6, 550, 610. 38	376, 834. 22	1, 998, 579. 67	522, 722. 89	2, 057, 391. 57
Dominican Republic	1, 617, 315. 60	138, 958. 46	400, 742. 53	150, 951. 63	531, 126. 91
Ecuador	7, 794, 178. 09	416, 815. 02	1, 936, 263. 27	2, 263, 822. 68	889, 762. 73
Guatemala	2, 598, 045. 84	635, 495. 50	1, 400, 030. 99	372, 894. 72	
Haiti	1, 423, 658. 75	70, 991. 16	350, 634. 97	146, 346. 97	174, 999. 05
Honduras	368, 364. 24	46, 784. 72	257, 371. 39	24, 626. 26	
Mexico	39, 238, 971. 45	7, 991, 507. 83	16, 071, 044. 18	3, 033, 711. 17	3, 270, 743. 26
Nicaragua	887, 199. 28	90, 622. 49	469, 528. 91	133, 038. 89	13, 846. 75
Panama	667. 33				
Paraguay	1, 956, 128. 55	130, 758. 36	947, 455. 84	209, 892. 67	486, 307. 85
Peru	18, 925, 731. 36	2, 615, 328. 20	6, 822, 095. 06	1, 656, 016. 26	4, 156, 747. 70
Salvador	878, 275. 90	146, 114. 69	423, 369. 02	259, 495. 04	
Uruguay	7, 129, 488. 01	1, 180, 297. 44	1, 715, 315. 87	1, 940, 606. 15	1, 549, 861. 06
Venezuela	4, 523, 680. 08	668, 855. 74	1, 564, 210. 67	777, 341. 82	785, 051. 70
Total, American Republics	501, 459, 343. 92	63, 345, 050. 82	139, 370, 136. 16	70, 025, 700. 92	98, 428, 300. 59
Other Governments:					
Belgium	159, 464, 430. 26	564, 683. 22	765, 815. 99	15, 796, 818. 06	18, 407, 339. 95
British Empire	31, 384, 810, 121. 25	3, 066, 937, 679. 75	6, 423, 295, 641. 98	3, 804, 625, 353. 97	5, 278, 557, 374. 13
China	1, 626, 998, 524. 86	271, 086, 933. 84	230, 894, 424. 13	190, 188, 218. 05	85, 815, 272. 52
Czechoslovakia	641, 839. 17			289. 68	
Egypt	2, 319, 691. 15	5, 447. 50		1, 480, 977. 78	
Ethiopia	5, 251, 480. 09	354, 204. 68	121, 299. 73	265, 180. 60	
France and possessions	3, 223, 891, 229. 32	284, 754, 508. 06	292, 702, 527. 14	429, 495, 949. 06	302, 362, 126. 56
Greece	81, 521, 726. 17	4, 427, 926. 25		435, 721. 33	37, 558, 338. 88

Statement of defense aid provided by country and by appropriation category, cumulative through June 30, 1947—Continued

	Total	Ordnance and ordnance stores	Aircraft and aeronautical matériel	Tanks and other vehicles	Vessels and other watercraft
Charged to foreign governments—Continued					
Other governments—Continued					
Iceland	$4,371,496.03		$184,111.95	$296,968.89	$19,723.66
Iran	5,303,624.18	$42,786.42		2,362,117.89	
Iraq	891,469.57				
Liberia	11,554,901.20	153,711.90		7,557.46	
Netherlands and possessions	251,137,540.95	15,959,402.97	78,743,380.32	15,863,605.65	20,269,296.86
Norway	47,000,522.22	1,457,689.99	4,149,626.99	200,695.42	10,849,138.00
Poland	12,475,376.00	117,326.79	40,921.25	64,963.84	1,098,430.58
U. S. S. R	10,982,088,888.95	782,768,434.44	1,539,180,009.89	1,767,377,292.62	1,173,691,948.28
Saudi Arabia	18,984,227.45	710,867.95		953,438.62	
Turkey	42,876,877.88	24,127,531.43	1,041,870.02	12,834,031.58	4,251.10
Yugoslavia	32,192,067.91	1,690,534.41	1,103,184.45	3,174,310.67	5,324,449.25
Total, other governments	47,893,776,034.61	4,455,159,669.60	8,572,222,813.84	6,245,423,491.17	6,933,957,689.77
Total, charged to foreign governments	48,395,235,378.53	4,518,504,720.42	8,711,592,950.00	6,315,449,192.09	7,032,385,990.36
Not distributed by foreign governments:					
Transfers to Federal agencies	725,589,141.95		29,556.46	1,437,620.30	421,671,410.69
Losses on inventories and facilities	31,072,272.57				
Production facilities	720,641,686.66				
Miscellaneous charges	332,200,098.31	9,054,847.39	346,734.26	7,488,720.39	74,168,292.30
Administrative expenses	39,257,580.77				
Total, not distributed by foreign governments	1,848,760,780.26	9,054,847.39	376,290.72	8,926,340.69	495,839,702.99
Grand total	50,243,996,158.79	4,527,559,567.81	8,711,969,240.72	6,324,375,532.78	7,528,225,693.35

	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses	Administrative expenses
Charged to foreign governments:						
American Republics:						
Bolivia	$620,373.57	$262,498.18	$70,986.37		$21,026.53	
Brazil	38,757,196.69	7,729,947.84	28,429,126.59	$3,604,873.28	27,063,971.63	
Chile	553,641.79	886,388.46	339,017.45		82,659.06	
Colombia	666,712.74		38,478.56	985,935.55	487,951.24	
Costa Rica	68,117.00		571.55		1,678.42	
Cuba	649,504.69	5,235.88	25,093.03	887,555.03	27,693.40	
Dominican Republic	382,632.59		7,064.40	969.36	4,869.72	
Ecuador	1,982,055.91		10,721.62	250,380.59	44,356.27	
Guatemala	148,068.04				41,556.59	
Haiti	664,669.86	3,281.50	10,724.54		2,010.70	
Honduras	35,328.29			2,325.37	1,928.21	
Mexico	2,613,842.32	555,039.36	1,456,541.67	2,674,500.60	1,572,041.06	
Nicaragua	45,699.07			122,939.84	11,523.33	
Panama		500.32			167.01	
Paraguay	158,481.32				23,232.51	
Peru	1,708,060.51	1,326,369.22	460,602.22	82,141.57	98,370.62	
Salvador	19,928.18	18,969.62	1,851.90		8,547.45	
Uruguay	689,666.77	10,456.55	6,945.36	15,894.20	20,444.61	
Venezuela	517,293.04		861.15	183,114.47	26,951.49	
Total, American Republics	50,281,272.38	10,798,686.93	30,858,586.41	8,810,629.86	29,540,979.85	
Other governments:						
Belgium	17,871,419.77	18,315.36	105,626,409.94	43.82	413,584.15	
British Empire	2,164,200,898.41	367,837,055.13	9,428,075,123.74	426,475,910.61	424,805,083.53	
China	146,888,424.60	9,965,002.07	84,558,364.38	206,732.51	607,395,152.76	
Czechoslovakia	131,149.13		492,957.74		17,442.62	
Egypt	24,086.56		619,756.80		189,422.51	
Ethiopia	69,303.94		4,336,316.45		105,174.69	
France and possessions	644,995,385.23	2,348,159.75	1,109,189,649.23	61,061,053.76	96,981,870.53	
Greece	38,557.43		38,654,389.72	143,242.17	263,550.39	
Iceland	248,416.55	26,775.28	3,529,510.06	57,555.89	8,433.75	
Iran	2,357,686.01	13,197.07	408,335.57		119,501.22	
Iraq			887,264.43		4,205.14	
Liberia	83,182.90		2,476.45		11,307,972.49	
Netherlands and possessions	11,701,942.97		100,609,051.34	5,173,831.60	2,817,029.24	
Norway	2,021,904.45		5,140,296.47	23,055,507.93	125,662.97	
Poland	1,666,831.39		8,878,291.93	418,952.42	189,657.80	
U. S. S. R	794,587,585.44	543,462,475.51	4,186,365,171.54	115,069,268.28	79,586,702.95	
Saudi Arabia	690,109.64		16,628,119.34		1,691.90	
Turkey	776,553.15	30,171.03	3,753,991.95		308,477.62	
Yugoslavia	5,998,044.58		14,543,189.11		358,355.44	
Total, other governments	3,794,351,482.15	923,701,151.20	15,112,298,666.19	631,662,098.99	1,224,998,971.70	
Total, charged to foreign governments	3,844,632,754.53	934,499,838.13	15,143,157,252.60	640,472,728.85	1,254,539,951.55	
Not distributed by foreign governments:						
Transfers to Federal agencies	7,280,226.65		294,307,444.63		862,883.22	
Losses on inventories and facilities			31,072,272.57			
Production facilities		713,560,054.95			7,081,631.71	
Miscellaneous charges	779,283.79	5,251,877.27	145,130,398.70	28,196,505.47	61,783,438.74	
Administrative expenses						$39,257,580.77
Total, not distributed by foreign governments	8,059,510.44	718,811,932.22	470,510,115.90	28,196,505.47	69,727,953.67	39,257,580.77
Grand total	3,852,692,264.97	1,653,311,770.35	15,613,667,368.50	668,669,234.32	1,324,267,905.22	39,257,580.77

Mr. LANGER. Mr. President, I should like to mention how much Russia received in that connection. That is shown on page 8 of the report on lend-lease operations. Is it any wonder that I cannot follow the Foreign Relations Committee and the Department of State when, under lend-lease, Russia received from this country, up until June 30, 1947, $10,982,088,888.95—11 times the assessed valuation of everything in the State of North Dakota, including every acre of

land, every house, every horse and cow, all machinery, and everything else within the borders of my State.

I also ask unanimous consent to have printed at this point in the RECORD statement II-A, which was prepared in exactly the same manner as the foregoing statements. It appears on pages 12 to 15 of the report on lend-lease operations.

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

STATEMENT II-A

This statement has been prepared in exactly the same manner as the foregoing statement II. However, this statement shows only that portion of aid rendered subsequent to VJ-day and all figures reflected here are also included in statement II.

Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1945, through June 30, 1947

	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses
CHARGED TO FOREIGN GOVERNMENTS										
American Republics:										
Bolivia	$441,849.41		$441,680.41							$169.00
Brazil	6,809,485.63	$891,594.06	742,175.27	$81,158.35	$3,485,042.15	$147,559.91	$6,800.00	$1,227,746.66		227,409.23
Chile	410,504.26	90,750.00	29,804.74	181,581.29	70,713.72	18,699.92	5,299.80	13,463.29		191.50
Colombia	7,382.00			7,255.00						127.00
Cuba	19,451.29	204.34	6,308.00		2,799.50	14.45		10,100.00		25.00
Dominican Republic	27,135.56		10,224.15		10,322.41	6,589.00				
Ecuador	561,747.03	13,446.51		510,553.41	3,763.24	33,294.48		34.39		655.00
Guatemala	859,423.84		858,748.22			.62				675.00
Haiti	5,960.38		3,547.58			2,412.80				
Mexico	599,520.82	1,492.19	73,435.79	541.46	55,377.80	13,430.95		436,407.12		18,835.51
Nicaragua	144.00									144.00
Paraguay	2,370.00									2,370.00
Peru	235,276.24	4,905.91	36,238.59	30,059.72	124,877.65	2,618.87	18,482.39	15,624.98		2,468.13
Salvador	30.00									30.00
Uruguay	11,061.06		3,394.90			5,896.16		1,661.00		109.00
Venezuela	11,569.76				2,806.45	8,624.31				139.00
Total, American Republics	10,002,911.28	1,002,393.01	2,205,557.65	811,149.23	3,755,702.92	239,141.47	30,582.19	1,705,037.44		253,347.37
Other governments:										
Belgium	80,944,394.38			2,799,841.08	12,917,692.12	8,184,279.68		57,036,451.52		6,129.98
British Empire	441,604,712.70	806,150.66	5,053,564.19	4,625,871.49	76,522,319.80	18,666,342.25	11,723.74	326,395,833.31	$190,143.61	9,332,763.65
China	777,638,292.55	117,831,842.34	42,934,330.77	95,986,129.38	46,454,008.40	99,920,749.30	36,198.74	36,735,399.57	2,338.88	337,737,295.17
Czechoslovakia	208,332.10			263.66		80,324.52		126,611.73		1,132.19
Egypt	60,226.95					2,900.70		82.67		57,243.58
France and possessions	412,243,246.24	937,950.75	3,705,372.02	13,833,467.76	61,037,637.88	21,958,099.62	1,290.42	310,507,002.28		262,425.51
Greece	5,968,001.78				5,879,170.00	127.60		81,025.59		7,678.59
Iceland	27,521.76							27,521.76		
Iran	279.50									279.50
Liberia	7,970,866.04									7,970,866.04
Netherlands and possessions	75,332,937.88	4,730,943.45	351,927.96	7,127,570.24	13,192,735.68	3,688,816.59		45,843,370.33	49,875.00	347,698.63
Norway	6,514,385.53	261.14	231,368.56		70,481.76	28,091.64		5,946,831.08	231,210.00	6,141.35
Poland	157,219.06			18.13				145,138.43		12,062.50
U. S. S. R.	254,091,893.09	250,612.25	15,781.62	2,807,961.92	20,853,974.62	8,948,140.39	7,480,257.48	206,873,404.10		6,861,760.71
Saudi Arabia	2,542,285.23							2,542,202.43		82.80
Turkey	73,544.60			18.52			9,442.96	48,570.05		15,513.07
Yugoslavia	78,829.59			139.93				76,188.46		2,501.20
Total, other governments	2,065,456,968.98	124,557,760.59	52,292,345.12	127,181,282.11	236,928,020.26	161,477,872.29	7,538,913.34	992,385,633.31	473,567.49	362,621,574.47
Total, charged to foreign governments	2,075,459,880.26	125,560,153.60	54,497,902.77	127,992,431.34	240,683,723.18	161,717,013.76	7,569,495.53	994,090,670.75	473,567.49	362,874,921.84
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS										
Transfers to Federal agencies	204,216,495.19			49,208.58	109,201,928.11	1,330,569.11		93,488,388.99		146,400.40
Losses on inventories and facilities	21,852,598.50							21,852,598.50		
Miscellaneous charges	3,786,575.03	315.50		200,627.80		18,002.63		3,549,940.94		17,688.16
Total, not distributed by foreign governments	229,855,668.72	315.50		249,836.38	109,201,928.11	1,348,571.74		118,890,928.43		164,088.56
Grand total	2,305,315,548.98	125,560,469.10	54,497,902.77	128,242,267.72	349,885,651.29	163,065,585.50	7,569,495.53	1,112,981,599.18	473,567.49	363,039,010.40

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

Mr. LANGER. I yield.

Mr. KNOWLAND. Some time ago, I believe, the Senator from North Dakota, in the course of his remarks, stated that he had not yet been able to obtain information regarding certain agreements which have been entered into by this country.

Mr. LANGER. Yes.

Mr. KNOWLAND. Did the Senator from North Dakota have reference to the Potsdam agreement or the Yalta agreement?

Mr. LANGER. No. I got hold of the Potsdam agreement. But the Senator from California will remember that I submitted a resolution asking that the Foreign Relations Committee be given all the agreements made during the past 10 years between all other countries and our Government. I sent a letter to that effect to Secretary Forrestal, who in turn advised me that he did not have them, but said he would refer the letter to the President of the United States, and he thought that in due time perhaps the President would send them to the Foreign Relations Committee.

Mr. KNOWLAND. Perhaps I misunderstood the Senator from North Dakota. I was going to say that I have on my desk at this time a copy of the Potsdam agreement and a copy of the Yalta agreement.

Mr. LANGER. Let me tell the distinguished Senator from California that I myself put into the CONGRESSIONAL RECORD some 3 weeks ago the Potsdam agreement. I obtained a copy of it, and had it printed in the CONGRESSIONAL RECORD at that time.

Mr. KEM. Mr. President, will the Senator from North Dakota yield to me, to permit me to address an inquiry to the Senator from California?

Mr. LANGER. I yield.

Mr. KEM. Let me ask the Senator from California whether he has reason to believe that the printed copy which he has of the so-called Yalta agreement is the complete agreement containing all the understandings between Mr. Roosevelt and Marshal Stalin?

Mr. KNOWLAND. I may say to the able Senator from Missouri that I would not wish to underwrite that the copy I have contains everything that might have been understood. I have what

purports to be the protocol of the agreement at the Crimean Conference at Yalta, and I also have what purports to be the Potsdam agreement.

Mr. KEM. The Senator understands, does he not, that in that connection there are no commitments, moral or otherwise, which are binding on the American people, except those incorporated in that document?

Mr. KNOWLAND. I would certainly think the American people would not be bound by any purely personal understandings which might have been entered into and were not reduced to writing at any particular one of those conferences.

Mr. KEM. I should like to ask one more question: The President of the United States in his last address to a joint session of Congress referred to certain violations of contract of which the Russian people had been guilty. Do the Senator's examination of these documents and his knowledge of the facts enable him to tell what violations have occurred?

Mr. KNOWLAND. Offhand, I should say that in the Potsdam agreement, as an example, it was understood that Germany would be treated as an economic unit. I do not know whether the able Senator from Missouri had a chance to go to Germany; but any of us who have been there know that Germany is not being treated as an economic unit, and I think the able Senator from Missouri knows from general information that that is true. Certainly that is a violation.

Moreover, I think we know that the agreements were entered into with the understanding that the Polish Government then existing would be reorganized, and that there would be free and unfettered elections in that country. But I believe it is common knowledge that the elections which took place in Poland were not free and unfettered.

So I think we could cite any number of cases where there have been very direct violations of the understandings which were entered into in those various agreements.

Mr. KEM. Does the Senator from California feel that those violations have been of such a nature or of such a character as to relieve us from any responsibility on our part in connection with those contracts?

Mr. KNOWLAND. I can only say, if the Senator from North Dakota will yield further, so as to permit me to answer the question——

Mr. LANGER. Yes; I am glad to yield.

Mr. KNOWLAND. I would say it is the personal opinion of the junior Senator from California, for whatever it may be worth, that when two or more parties to a contract enter into an agreement, under which presumably there is a give-and-take arrangement that certain things will be agreed to, provided certain other things are agreed to, in such case the Russians have no right to expect that they may violate with impunity the sections of the agreement that they do not care to abide by, and still expect the other powers or parties to the agreement to abide to the letter to all the rest of the sections of the agreement.

In other words, it is the viewpoint of the junior Senator from California that at the very first instance of a violation of those agreements, our Government should have served notice upon the Kremlin and the Politburo in Moscow that a violation of any section of the agreement throws out the whole agreement.

Mr. KEM. I thank the Senator from California, and I thank the Senator from North Dakota for his courtesy.

Mr. LANGER. Finally, Mr. President, I ask unanimous consent to have printed as a part of my remarks, from the report on the European-recovery program by the Committee on Foreign Relations, section 7, entitled "United States Assistance to Europe Since the War," on pages 8 and 9, together with the tables on pages 10, 11, and 12 of the report.

The PRESIDING OFFICER. Is there objection?

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

7. UNITED STATES ASSISTANCE TO EUROPE SINCE THE WAR

Since the end of the Second World War, the United States has extended assistance to Europe in the form of (1) repayable loans and credits, and (2) relief supplies and grants not requiring specific repayment. Most American assistance belongs to the first category:

Credits and loans: Interest-bearing credits and loans include (1) the loan to the United Kingdom of $3,750,000,000, authorized by Congress in July 1946; (2) two Export-Import Bank reconstruction loans to France, one of $550,000,000 in September 1945, the second of $650,000,000 in June 1946; (3) sale of United States surplus property abroad and surplus merchant vessels on long-term credit, to France at a credit of $300,000,000, and to Italy at a credit of $160,000,000 for purchase of surplus property in Europe, and $42,000,000 to each for the purchase of merchant vessels; (4) lend-lease settlements and pipe-line credits. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized repayable loans and credits to the Paris Conference countries of $7,353,000,000 in all.

Grants and relief: Grants and relief include (1) UNRRA, toward which the United States contributed $2,700,000,000; (2) United States foreign-relief program, including an authorization of $332,000,000 in July 1947, and a donation of $15,000,000 to the International Children's Emergency Fund; (3) interim aid to Austria, France, and Italy, in the amount of $522,000,000, enacted in December 1947; (4) Greek-Turkish aid, to the amount of $400,000,000; (5) relief of occupied areas; (6) lend-lease aid not repayable. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized assistance under the programs listed above of some $1,943,000,000, allocable to certain of the Paris Conference countries. A further $767,000,000 allocable to German relief, and $481,000,000 not allocable to specific countries in Europe but intended almost entirely for the Paris Conference countries, were authorized, making a total of $3,191,000,000, to which interim aid should be added, making the total as of December 31, 1947, $3,788,000,000.

Thus loans, credits, grants, and relief to the Paris Conference countries and Germany authorized in the period July 1, 1945, to December 31, 1947, totaled a little over $11,000,000,000.

These figures do not take into account remittances from private individuals and voluntary agencies in the United States, which in the year 1946 ran slightly more than half a billion dollars, a sum which it is estimated was equaled in 1947.

A break-down of United States loans, credits, grants, and relief contributions for the two fiscal years July 1, 1945, to June 30, 1947, is as follows:

TABLE A.—*U. S. Government loans, property credits, and grants—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief
Total	16,302	9,128	7,174	12,575	7,309	5,266	3,727	1,819	1,908
Europe	12,160	7,977	4,183	9,902	6,752	3,150	2,258	1,225	1,033
Paris Conference countries	9,331	7,388	1,943	7,828	6,414	1,414	1,503	974	529
Austria	195	11	184	140	1	139	54	9	45
Belgium and Luxemburg	210	149	61	210	149	61			
Denmark	30	30		15	15		15	15	
France	1,928	1,907	21	1,719	1,698	21	209	209	

TABLE A.—*U. S. Government loans, property credits, and grants—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*—Continued

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief
Europe—Continued									
Paris Conference countries—Continued									
Greece	745	121	624	329	55	274	417	67	350
Italy	926	331	595	784	223	561	142	108	34
Netherlands	303	283	20	276	256	20	27	27	
Norway	81	80	1	11	10	1	70	70	
Sweden	1		1	1		1			
Switzerland	2		2	2		2			
Turkey	141	41	100	6	6		134	34	100
United Kingdom	4,769	4,435	334	4,334	4,000	334	435	435	
Countries not at Paris Conference	2,305	546	1,759	1,866	337	1,529	439	209	230
Czechoslovakia	247	73	174	204	30	174	42	42	
Finland	106	106		71	71		35	35	
Germany	767		767	537		537	230		230
Hungary	37	37		10	10		27	27	
Poland	439	90	349	379	30	349	60	60	
U. S. S. R.	410	242	168	364	196	168	45	45	
Yugoslavia	301		301	301		301			
Europe unallocable	522	41	481	207		207	315	41	274
Canada	−6	−6		−12	−12		6	6	
Latin-American countries	495	473	22	206	184	22	289	289	
China	1,328	229	1,099	1,262	163	1,099	66	66	
Japan	606	15	591	398	7	391	208	8	200
Korea	170	25	145	48	3	45	122	22	100
Philippines	769	76	693	194	76	118	575		575
All other countries	367	332	35	169	134	35	198	198	
Unallocable	411	6	405	405		405	6	6	

TABLE B.—*United States Government loans and property credits—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Export-Import Bank and other loans	Property credits	Total	Export-Import Bank and other loans	Property credits	Total	Export-Import Bank and other loans	Property credits
Total	9,128	6,426	2,703	7,309	5,052	2,258	1,819	1,374	445
Europe	7,977	5,734	2,242	6,752	4,776	1,976	1,225	958	267
Paris Conference countries	7,388	5,544	1,845	6,414	4,689	1,725	974	855	120
Austria	11	1	10	1		1	9	1	9
Belgium and Luxemburg	149	100	49	149	100	49			
Denmark	30	20	10	15	15		15	5	10
France	1,907	1,200	707	1,698	998	700	209	202	7
Greece	121	25	96	55	5	50	67	20	46
Italy	331	130	202	223	24	199	108	106	2
Netherlands	283	205	78	256	197	59	27	8	19
Norway	80	50	30	10		10	70	50	20
Turkey	41	28	13	6		6	34	28	6
United Kingdom	4,435	3,785	650	4,000	3,350	650	435	435	
Countries not at Paris Conference	546	149	397	337	87	250	209	62	147
Czechoslovakia	73	23	50	30	22	8	42		42
Finland	106	81	26	71	58	13	35	23	13
Hungary	37	7	30	10		10	27	7	20
Poland	90	40	50	30	7	23	60	33	27
U. S. S. R.	242		242	196		196	45		45
Europe, unallocable	41	41					41	41	
Canada	−6	−6		−12	−12		6	6	
Latin-American countries	473	394	79	184	149	35	289	245	44
China	229	98	131	163	60	103	66	38	28
Japan	15		15	7		7	8		8
Korea	25		25	3		3	22		22
Philippines	76	70	6	76	70	6			
All other countries	332	128	206	134	7	127	198	121	78
Unallocable	6	6					6	6	

TABLE C.—*U. S. Government grants under other relief—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country*

[Millions of dollars]

Country	Amount available, July 1, 1945-June 30, 1947					Amount utilized, July 1, 1945-June 30, 1947					Unutilized balance, as of June 30, 1947			
	Total	UNRRA and post-UNRRA	Occupation program	Lend-lease	Other	Total	UNRRA and post-UNRRA	Occupation program	Lend-lease	Other	Total	UNRRA and post-UNRRA	Occupation program	Other
Total	7,174	2,642	2,014	1,151	1,365	5,266	2,310	1,484	1,151	319	1,908	332	530	1,046
Europe	4,183	1,973	1,219	420	570	3,150	1,641	989	420	99	1,033	332	230	471
Paris Conference countries	1,943	802	285	420	436	1,414	673	285	420	35	529	129		400
Austria	184	104	79			139	59	79			45	45		
Belgium and Luxemburg	61	1		60		61	1		60					
France	21	3		16	2	21	3		16	2				
Greece	624	321			303	274	271			3	350	50		300
Italy	595	359	206		30	561	325	206		30	34	34		
Netherlands	20	1		19		20	1		19					
Norway	1	1				1	1							
Sweden	1	1				1	1							
Switzerland	2	2				2	2							
Turkey	100				100						100			100
United Kingdom	334	9		325		334	9		325					
Countries not at Paris Conference	1,759	969	771		61	1,529	945	524		61	230		230	
Czechoslovakia	174	168			6	174	168			6				
Germany	767	13	754			537	13	524			230		230	
Poland	349	304			45	349	304			45				
U. S. S. R.	168	166			2	168	166			2				
Yugoslavia	301	293			8	301	293			8				
Europe unallocable	481	227	180		74	207	24	180		3	274	203		71
Latin-American countries	22			5	17	22			5	17				
China	1,099	334		644	121	1,099	334		644	121				
Japan	591		591			391		391			200		200	
Korea	145	1	144			45	1	44			100		100	
Philippines	693	10	28		655	118	10	28		80	575			575
All other countries	35	1	31	2		35	1	31	2					
Unallocable	405	324		79	2	405	324		79	2				

Mr. LANGER. Mr. President, no survey has been made of conditions within our own country to determine the needs of our own citizens. Veterans, farmers, school teachers, Indians, and the underprivileged of various classes have been suffering for a long time from the want of necessary food and clothing. There are in this country literally millions of people who today are not obtaining sufficient wages to keep body and soul together. Nothing has been done about the request of Gen. Philip Fleming for $75,000,000, either to allow it in whole or in part, or to disallow it entirely. Our people are in need of public clinics and health centers. In view of all these things, and further, in view of the fact that in my judgment our first duty is to provide for our own people, I announce that I shall vote against the pending bill.

Mr. MAGNUSON. Mr. President, I shall be very brief. I am going to support the bill. I may say, so long as we are embarking on a program of international aid, I think that aid to China has been long overdue. I had originally intended to offer one or two amendments to the bill, as I did to the bill for European economic recovery, dealing with certain phases of the administration of this aid. However, after some discussion of the matter, and because, though it is sometimes unwise legislatively to issue directives to an administrator, it is often wise to let the administrator know how some of us feel about what he may do, if and when the bill is passed, I have refrained from offering an amendment; but I should like briefly to put into the RECORD some of the ideas on administration that I have in regard to one phase of this bill for aid to China, which will seriously affect a very vital interest in my State and in the Pacific Northwest, if the administrative program is not carried out in the manner I am about to suggest.

In the committee report on Senate bill 2393 there appears on page 8 a probable list of commodities which will be shipped to China under this program. A somewhat similar list appears on page 31 of the committee print, published by the Foreign Affairs Committee of the House, giving background information on economic assistance to China. Both indicate that approximately 225,000 tons of wheat equivalent will be made available to China under the program we are now discussing, and which the House has discussed.

In the House document there appears on page 31 a footnote which refers to the 225,000 tons of wheat equivalent. This footnote states:

> Provisionally about 40 percent from the United States, 40 percent from Australia, and 20 percent from Canada, and to be about three-quarters flour.

About three-fourths of the whole amount is to be flour rather than wheat. This is the item that particularly interests me and a number of people in my section, because of a great historical economic reliance on the export of flour and other milled products which go to the Orient, particularly China. If the administration of this program is not carried out properly it could very well injure financially and economically the milling and feed industry in the Pacific Northwest, extending down to California, and jeopardize its existence.

I am particularly interested in this item because shipments of wheat equivalent from the United States have a definite bearing on the welfare of the milling and feed industry in the Pacific Northwest. I am informed that approximately 65 percent of the wheat now being shipped from the Pacific Northwest to Japan and other relief and claimant countries is shipped in the form of wheat, not flour. This has the effect of making mill feed, the byproduct of wheat produced in grinding flour, scarce and high in price. This in turn has the effect of increasing the cost of feed and curtailing the production of poultry and dairy products.

It has resulted in the flour mills in the Pacific Northwest operating on a very short schedule. Fisher Flouring Mills for example, during some weeks in March, have operated only 3 days. It has been estimated that 60 percent of the milling capacity of the Pacific Northwest is not operating. Under these circumstances, labor employed in those mills suffers as well as management which operates them and those industries which utilize the byproducts of the mills. During the last 2 weeks I have had numerous letters and telegrams from flour mills in the State of Washington, urging that there be a provision in the China aid bill requiring that a minimum of 75 percent of the wheat allotted for shipment to China be in the form of flour. That is the historical reliance these mill have had on the export of mill products to the Orient.

Obviously, it would be unwise to tie the Administrator's hands by stipulating that 75 percent of the 225,000 tons of wheat equivalent provided under this program be shipped in the form of flour. Circumstances beyond the Administrator's control might dictate that only 70, 72, or 73 percent would be practical. I

am informed that during the 8 months preceding February 15, 25,000 tons of wheat were shipped to China and 57,000 tons of flour. The ratio of wheat to flour during the last 8 months approximates a 30–70 ratio. Even this ratio, however, of shipments of wheat equivalent emanating from the United States was not sufficiently high to prevent serious hardship to the milling industry in the Northwest. Proof of this fact is contained in the statement I made earlier, namely, that only about 65 percent of the wheat being shipped from the Northwest at the present time is moving in the form of flour.

I sincerely hope the Administrator of this bill will give serious attention to the plight of the milling industry in the Northwest and will make every effort consistent with China's own need to insure that approximately 75 percent of shipments of wheat equivalent from the United States move in the form of flour. At this point, Mr. President, I should like to have inserted in the RECORD following my remarks, a number of communications I have received from Northwest industry in regard to this problem.

There being no objection, the communications were ordered to be printed in the RECORD.

(See exhibit A.)

Mr. MAGNUSON. Mr. President, I hope, in view of the fact that I have refrained from attempting to offer an amendment to the bill on a matter vital to my section, that when the bill becomes a law I shall have support from those who have sponsored it in the Senate to the end that the Administrator may keep in mind this historical reliance that means so much to a great industry on the Pacific Northwest.

EXHIBIT A

SEATTLE, WASH., *March 12, 1948.*

Hon. WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.:

Proposed economic assistance program for China covers quantity of wheat and/or flour 40 percent of which is to be furnished from United States and provides about three-fourths to be in form of flour. We strongly urge in considering this matter language be made affirmative that minimum quantity flour must be 75 percent of total wheat equivalent from this country. Flour mills this district badly in need of milling and every effort should be made to keep these mills running and labor employed.

CENTENNIAL FLOUR MILLS CO.

SEATTLE, WASH., *March 18, 1948.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

We urge you use influence to insure in proposed China economic assistance program that minimum of 75 percent of wheat allotted be shipped in form of flour; essential Pacific coast mills have this business to maintain normal operations and to assure byproducts for feed which in short supply.

NOVELTY MILL CO.

WALLA WALLA, WASH., *March 11, 1948*

Hon. WARREN G. MAGNUSON,
Senate Office Building:

Reference economic assistance program China. In commodity program justification we note flour requirements about 75 percent. We respectfully urge this be made specific at no less than 75 percent. Flour mills in Oregon and Washington are seeing large quantities grain going offshore with mills running at 40 percent capacity, placing labor in dire need of work, causing severe millfeed shortage in dairy and poultry industry. If this aid to China is needed we feel that Pacific coast flour to extent available should be forwarded in preference to that of Australia and Canada.

PRESTON SHAFER MILLING CO.

WAITSBURG, WASH., *March 13, 1948.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SIR: I wish to bring to your attention a very serious condition in our State and the Pacific Northwest.

In our small town is a plant of the Preston Shaffer Milling Co., which has operated a flour mill here since 1865 continuously, even through the last depression. Yet, in what are supposed to be good times, we have been shut down now for 2 months, and nothing in prospect at present. This is indeed a blow to the company and to the employees, of whom I am one.

Perhaps you would think that this in no way concerns you in our Government, but it really does, as there are several actions of the Government which have helped to bring about this situation.

The Pacific Northwest has been drained of wheat for export, mostly in the form of wheat, which has resulted in our getting no export flour business, and also in raising the price of our wheat so high in comparison with the East and Midwest that we are also crowded out of that domestic market. Surely, something should be done to get the United States Department of Agriculture to ship more of this grain in form of flour so that our mills and men would have employment and also have millfeed here for our stock.

Also, there is a market for more flour in the Philippine Islands and Cuba if certain controls were lifted to give freedom of export. One other thing that has hurt us a great deal is the continued percentage freight increases that have resulted in our being almost completely priced out of our eastern markets by the Midwest and East, who have had lower raises, as they had lower rates in the beginning.

Our mill is not large, but this affects many others, as well, and the total is quite large. You may rest assured that anything you can do to help this situation will certainly be appreciated and will be a great service to the State of Washington.

Thank you very much.

Very truly yours,

J. M. GRAHAM.

Mr. CONNALLY. Mr. President, as a member of the Committee on Foreign Relations I heartily support the pending bill. The able chairman of the committee has already fully explained to the Senate its terms and provisions. The debate has been rather full. I do not regard it as at all necessary to enter into a detailed discussion of the measure, except to say that, of course, its purpose is to extend aid to China in the hour of her need.

Conditions in China have been, as is well known, greatly disturbed. For 8 years she was at war with Japan, invaded and subjugated, and she is now involved in an internecine civil war which has brought great suffering to her people and has placed upon the central Government of China great burdens and difficulties which it is hardly able to bear.

The sum which is involved is not, I grant, sufficient to solve all the problems of China. It will be only an incentive, a rather substantial one, in a way, and an encouragement to China to know that the great Republic across the seas is her friend and wants to see her rehabilitated and reinstated in her ancient power.

Mr. President, China is a peculiar country. Reaching back for thousands of years into antiquity, she has traditions and historic connections which are perhaps different from those of any other nation on the face of the earth. She has for centuries withstood invasions, and, in a way, has always survived them, though nominally subjugated. Even Genghis Khan, when he made his world sweep of invasion, did not succeed very well in China. He invaded her and conquered a portion of her territory, but finally he had to withdraw, and such remnants of his armies as remained in China were absorbed, taken into the Chinese economy, and completely obliterated, so far as exerting any substantial influence upon China was concerned.

Most of the sum of money to be authorized is for the actual necessities of life for the teeming millions of China. There is an item of $100,000,000 which is not earmarked, for good and substantial reasons. We cannot, in a program of this nature, anticipate every need or necessity which may arise. We cannot tie the hands of the Administrator by requiring that he must furnish this, that, and the other, and nothing else. It is in the nature of an outright grant to China for her use, under her own responsibility, for whatever great and critical need may arise.

There is not a word in the bill regarding military supplies or military aid. It is, of course, entirely probable that the $100,000,000 grant may, if the exigency should arise, be utilized by the Central Government in China for the purchase of munitions, equipment, and arms. It is as important to protect China against invasion and subjugation as it is to protect the bodies of her people by providing the food which is to be sent to her under other provisions of the bill.

The committee unanimously reported the bill. There is wide sentiment throughout the country in favor of furnishing aid to China. This measure is the best plan or device we could bring about in the committee to extend aid to China, without making hard and fast commitments which we did not feel it was wise to make.

I am sure we all read in the newspapers recently that Chiang Kai-shek issued a public statement appealing for the aid of the peoples of the world, stating that China was at the very door of destruction, on the brink of disaster. We have heard his appeal and are responding to it. We are extending aid, not in the proportions that many persons would desire, but aid of a very substantial character which, in an hour of crisis, of danger, and of need may be of great assistance to China, because in every issue there is always a point at which an inconsiderable force is sufficient to balance the scale in favor of one side or the other.

So, Mr. President, I hope the Senate will, by a resounding vote, support this measure and give Government sanction to trying to aid a great people of a great

nation which has been our traditional friend, and to which we have extended generous aid in the past. We hope this aid will be of substantial assistance in furthering the ambitions of China for democracy and free government, and in rehabilitating her economy, so that she may be put in such a position that she may, through her own resources and by her own devices, regain the place in the economy and the civilization of the world to which her history entitles her.

Mr. PEPPER. Mr. President, I have only a few observations to make regarding the measure. It presents rather a dilemma to many of us to know how to vote with respect to it. As I said this morning, some of us are extremely solicitous that our purpose in aiding other people be not misunderstood and that it be not in such manner or form as to make ourselves vulnerable to the propaganda that we have anything other than honest aid in mind. I have felt that the China case presented a rather illuminating situation in which it would be possible to discriminate in such a way in the furnishing of aid that our motive could not possibly be under attack or legitimately misunderstood. I know that the people of this country have no other purpose in mind than the honorable service of democracy among men and honest aid to those seeking to preserve their own security and independence.

What has troubled me regarding this particular case more than has any other thing is the matter of those with whom we are required to be associated in the assistance we give, and whether the very fact that the people we are expected to assist are themselves vulnerable subjects us to a criticism which we do not and should not deserve. I feel with all my heart that the only solution of the problems of China ultimately is an effective working democracy in that country.

I feel that the effective answer to communism is an effective democracy, and I know of no place in the world where that is more true than in China.

I am not going to dispute the allegation that, in some parts of the world there appears to be, by the overwhelming weight of the evidence, an element of force behind the persuasion of communism. Wherever force appears there can be no question, of course, about the necessity of interposing a counterforce of equal power to prevent aggression, and "to preserve the freedom of choice," words used this morning in the debate, for the people under assault.

I think we must in fairness say that the evidence has not been such with respect to China as it has been with respect to Greece. There has been a constant assertion that in Greece aid was given across the border by a neighboring country. That fact has been supported by the testimony of a duly accredited mission of the United Nations. So far as I know, there has been no similar United Nations commission which has made a study of the situation in north China and made a comparable report. I do not know of a United Nations recommendation which today demands the kind of support which we are asked to give to the Nationalist Government in China.

If the aid from across the border, which we are told exists in Greece, is not being given today in China, I would not of course wish to interpose military force, and I am glad that the committee has made it clear that we are not, legislatively, at least, adding military to the economic aid we provide in the measure before us.

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

Mr. PEPPER. I yield to the Senator from Texas.

Mr. CONNALLY. Anything which supports human beings in the way of food and the like in a measure is military aid, if the people are in the field fighting.

Mr. PEPPER. I was distinguishing military from economic assistance.

Mr. CONNALLY. Very well.

Mr. PEPPER. What I want to say is that I have noted particularly in the pending measure the authority provided for American administrators to see to it that the aid given is properly distributed. I was very much gratified to observe that. In fact, I notice in the recommendation of the committee that the Administrator, who has the same authority with respect to the other Marshall plan countries, shall have the power, and I presume the final say-so, as to the distribution of the aid. I feel very much better about it after observing that recommendation of the committee, and the interpretation of the bill, that it will finally be up to an American Administrator to see to it that what we give by way of aid is properly distributed to the Chinese people, and is not subject to exploitation by those who would even be willing to accentuate the grief of their fellow countrymen to assuage their own appetites for greed and avarice. I am concerned about our going further than that.

I have here the report of the China-United States Agricultural Mission, and that mission has made definite recommendations as to improving the lot of the Chinese people. Here they are:

1. That increased emphasis be placed on the construction of chemical-fertilizer plants; on the development of irrigation; on the improvement of plants and animals and their protection from insects and diseases; on forestry to provide timber for construction and fuel; and on the production of fruits, vegetables, and livestock to improve diets and nutrition.

2. That action be taken to adjust the currency-exchange rate, to lower costs of transportation and credit, or to take other steps which will encourage the production and export of important agricultural commodities, such as tung oil, silk, tea, and carpet wool, and which will revive the present depressed domestic industries related to them.

3. That means be found to provide adequate farm credit at low cost; to assist farmers in marketing their products; to improve the conditions of tenancy where serious tenancy problems exist; to advance as rapidly as possible land surveys, registration, and appraisal; and to enforce the provisions of the land law of 1946 with respect to the taxation of land.

4. That provision be made for standardization, grading, inspection, quarantine, and market regulations for agricultural products moving in foreign trade and in trade within the country.

5. That programs relating to general education, public health, sanitation, transportation, river conservancy, and flood control be advanced as rapidly as possible.

6. That an integrated system of regional agricultural colleges and experiment stations be developed by the Ministry of Education and the Ministry of Agriculture and Forestry, working together; and that the present Agricultural Extension Commission be reorganized into a National Agricultural Extension Administration under the Ministry of Agriculture and Forestry, with appropriate regional, provincial, and hsien offices.

7. That nine strong centers of agricultural instruction, research, and extension be established at points from which they can serve all sections of the country, at which there should be a regional college of agriculture, a regional agricultural experiment station, a regional agricultural extension office, and a regional agricultural library. The centers proposed are Nanking, Peiping, Changchun, Lanchow, Wukung, Chengtu, Wuchang, Canton, and Paipeh.

8. That there be established in the Ministry of Agriculture and Forestry a National Agricultural Regulatory Administration with 16 regional offices.

9. That there be established a single Government-sponsored bank to serve agricultural needs, to be known as the Agricultural Bank, by bringing into a single organization the present Farmers' Bank of China and the Central Cooperative Bank.

10. That the Ministry of Social Affairs consider action which might suitably be taken by the Government to guard against a rapid increase in the growth of population.

Mr. President, those were the 10 recommendations of the China-United States Agricultural Mission.

Now, just three other paragraphs from this report.

The great importance of a well-balanced and progressive agricultural program to the well-being of the Nation is evident. The people of China depend on agriculture for materials from which come, in whole or in part, the nation's food, clothing, fuel, and shelter. Whatever affects directly the welfare of agriculture and the 75 percent of China's population engaged therein, affects the welfare of every citizen of the country. The mission believes that a sound and comprehensive program in agriculture, which will bring substantial improvement in the living conditions of rural people, will contribute materially to a fundamental solution of present internal problems.

And last:

The development of industry is contingent upon a simultaneous development of agriculture. In fact, both must progress together. The greatest potential market for China's manufactured goods is its own large rural population, which can buy these goods only after it possesses a larger purchasing power. An industrial development also will require the acquisition of machines and tools from abroad, which must be purchased with foreign exchange. Around 70 percent of the value of China's total exports before the war came from agricultural commodities. Therefore, agriculture is the most important source for obtaining the necessary foreign exchange to develop China's industry. Anything which can be done to promote the production, processing, and marketing of agri-

cultural products for export will aid in the further development of industry and serve the general public welfare.

This mission is agreed that much can be done to accomplish these things. From observation made during its travels in the 14 Provinces, it is fully convinced that agricultural production in China can be greatly increased by the application of modern scientific knowledge to the improvement of soils, crops, livestock, and farm equipment. It also believes that the income of farmers can be greatly enhanced and the present poverty of many rural communities reduced by improvements in land tenancy, farm credit, and agricultural marketing.

Mr. President, I ask unanimous consent to incorporate at this point in my remarks A Note on Aspects of Reconstruction in China, in connection with the report of an Economic Commission for Asia and the Far East, and a Survey of Reconstruction Problems and Needs, made by an economic commission of the United Nations organization.

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

I. A NOTE ON ASPECTS OF RECONSTRUCTION

This report is concerned with immediate reconstruction requirements and problems in the region coming within the scope of ECAFE. Reconstruction is regarded as the process whereby per capita productive capacity and living standards are restored to the level which existed in the best years prior to World War II, as such reconstruction is a preliminary step in the long-term process of economic development and progress.

Since fundamental changes have occurred in the structure of the world economy, reconstruction is not interpreted as necessarily requiring the restoration, unmodified, of the prewar patterns of production or consumption in each separate country. Indeed, to overlook such changes may, in some cases, hamper recovery by directing effort into channels less productive than would otherwise be possible. For example, having regard to the development of synthetic rubber during the war, it is a matter for investigation how far it is economically desirable to go, in what areas, and by what methods, in the restoration of the prewar capacity to produce natural rubber. On the other hand, certain changes, for example, those affecting the economy of Japan, may provide new opportunities which it may be desirable to explore rather than restore other less promising types of production.

There is a further consideration. In some aspects of production in certain countries, the urgent problem is not so much to restore prewar productive capacity as to prevent deterioration even from the present low level, or to utilize existing productive potential to the full. For example, there has been a considerable reduction in the number of spindles in China. Shortages of power, difficulties in transport, difficulties in obtaining supplies of raw cotton, and the disturbance of cost-price relationships as the result of inflation and other circumstances, make it very difficult to keep even the reduced number of spindles in operation despite the shortage of textiles. Hence, in the opinion of some Chinese authorities, priority should be given (for example, in the allocation of foreign exchange) to the removal of impediments to the full utilization of existing spindles rather than to increasing the number of spindles.

This illustration also raises other questions. The full use of increased plant and machinery may yet be possible unless the parallel development of other productive resources occurs; for example, of transport and supplies of labor and technical personnel, raw materials, and power. Equally, it may be of little use simply to provide implements, draft animals, fertilizers, or fungicides in order to increase agricultural production, because disturbed political conditions, the shortage of incentive goods, or disrupted transport prevent the distribution of agricultural commodities. Such considerations are germane to both domestic investment and foreign borrowing. They raise the question of the absorptive capacity of an economy for new material investment.

The attempt, by means of questionnaires, to obtain information on the shortages which must be made good to restore production to its prewar level, is a necessary first step in providing the basic information for reconstruction programs. But the considerations to which attention has been drawn above, and others which might be adduced, suggest the desirability of obtaining other types of information, not always expressible in quantitative terms, to bring out the difficulties to be overcome, both at the national and international levels, and enable priorities to be determined; to select the problems most amenable to attack in short time, and to enable the separate countries to relate their policies and programs to those of others within the region.

* * * * *

Since incomes are already low, the margin available for saving and therefore for investment in more or improved kinds of capital is very small. Where income distribution accentuated by inflationary conditions is uneven the wealthier groups may be able to save and invest; but it is still true that the ratio of new capital formation to needs is insufficient for the requirements of economic progress. This is the main justification for the argument that economic development in the Far East demands borrowing from abroad.

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Except in Japan and parts of Indonesia and India, the inadequacy of the transport systems is a reflection as well as a cause of low per capita productivity.

In 1935 China, with a population of some 400,000,000 had 52,000 registered motor vehicles. The United States, with about one-third the population had 30,615,000 and New Zealand, with a population of 1,600,000, had 209,463 motor vehicles registered.[1] The two latter countries had the highest ratio of motor vehicles to population and were at the top of the list in Colin Clark's international comparisons of real income. The coincidence is not accidental. The ratio is both a consequence and a cause of higher living standards; a consequence because, with affluence comes the ability to make improvements in transport, both for business and pleasure; a cause because improved transport permits the exchange of goods and through it regional specialization and the division of labor. Despite qualification necessitated by topography and population density, the generalization holds, and is of primary importance.

The relationship also holds broadly for railway and road development. Fong[2] quotes the following figures most for prewar for railway mileage per million people.[3]

	Kilometers
China	25
British India	262
Japan	349
U. S. S. R.	511
United Kingdom	734
Germany	884
France	1,004
United States	3,200

* * * * *

CHINA[4]

Supplies of agricultural products were reduced because of the diminution in area under production from military operations and the diversion of the Yellow River. The neglect of flood-control work, irrigation, and drainage, the slaughter of draft animals, and the loss of plows and other farm implements also operated to reduce production. Floods alone wrought considerable damage, but the area affected being estimated at 21,700,000 acres, or 9 percent of the total cultivated area, of which 7,100,000 was along the Yellow River. In the 15 provinces of free China, the number of domestic animals declined by 48 percent and of poultry by 17 percent. Cotton production in 1945 was only about 30 percent of the prewar volume. Forests were heavily depleted. The wanton destruction of mulberry trees by Japan caused considerable damage to the silk industry.

The fishing industry suffered a loss of 400 out of 771 trawlers, between 50,000 and 60,000 junks out of a total of about 101,000 and nearly 50 percent of the equipment. Deliveries from UNRRA have substantially improved the position.

Out of a total of 13,820 kilometers of railways outside the northeastern provinces and Taiwan at the end of the war, 2,399 kilometers or 17 percent were totally destroyed or dismantled and 1,871 kilometers, or 15 percent, partially destroyed. In March 1946 there were 2,612 locomotives, 26,133 freight cars, and 2,709 passenger cars, but one-half of the locomotives, 40 percent of the passenger cars, and one-third of the freight cars were reported damaged. At least 10 percent of the rails and 25 percent of the sleepers needed replacement, while many railway shops had been damaged or dismantled.

Some improvement in the situation has been made possible by the receipt of UNRRA supplies. This is summarized in the following table:

UNRRA railway supplies for China

	Programed	Procured	Received
Locomotives	262	242	192
Freight cars	3,445	3,445	3,445
Bridging, long tons	43,300	43,300	17,500
Rails, rail accessories, long tons	84,000	----------	[1] 80,000

[1] Including rails for 600 miles of track.

"In many places in occupied areas," states an UNRRA report, "entire roads were obliterated and the fields restored to the condition before the road was built." Over the whole occupied area, it was estimated that 20 percent of the roadbed and 80 percent of the bridges were destroyed. Some 64,000 kilometers of highways were considered to require rebuilding. On the assumption of the considerable use of manpower, the estimated cost of rebuilding at 1937 prices was CN$77,126,000.

As a means of facilitating reconstruction, supplies of tools, materials, and equipment

[1] Katrine H. C. Greene, An Economic Survey of the Pacific Area, pt. II, Transportation, I. P. R. New York, 1941.

[2] H. D. Fong, The Post War Industrialization of China, National Planning Association, Planning Pamphlets No. 12-13, 1942.

[3] For a more detailed tabulation c. f. Katrine C. Greene, An Economic Survey of the Pacific Area, pt. II, Transportation, Institute of Pacific Relations, New York, 1941, p. 12.

[4] Comparison between the prewar and the postwar statistical data is, in many cases, difficult, as the former do not include Formosa or Manchuria.

were procured by UNRRA. By September 1947 the position was as follows:

	Procured tonnage (long tons)	In China, tonnage (long tons)
Highway hand tools	521	521
General construction equipment	17,917	16,958
Highway repair material (including steel bridging)	36,288	27,518
Total	54,726	44,997

The loss of fishing craft already mentioned was paralleled by heavy losses in other vessels. The total tonnage of inland and coastal shipping was nearly 1,070,000 tons in June 1936. By December 1945 it had declined by nearly 71 percent to 313,144 tons. The loss was greater for steam than for sailing vessels; 82 percent and just under 50 percent, respectively. Losses in wharves, cranes, lights, buoys, berthing facilities and impediments to the use of facilities by silting were due to neglect rather than to destruction. In some places the Japanese preserved or improved facilities to meet military requirements.

After the termination of the Sino-Japanese war, tonnage was augmented by repairs to old ships, taking over Japanese and puppet ships and the purchase of new ships. According to an unofficial estimate, this increased the tonnage to 500,000 tons. In addition 40 old surplus ships were purchased from the United States and Canada.

As in other forms of transport, UNRRA made important contributions to rehabilitation. Timber and technical help have been made available for the rehabilitation of harbor facilities. Two hundred pontoon cells were assembled into pontoons to replace destroyed pontoons in various parts of the country, and 30 steel barges were allocated for floating piers and wharves. In addition, 748 barges were imported for the waterways program. Navigational aids costing United States $332,000 were made available; these included light buoys, coastal lights, lanterns, and stationary light towers and minor accessories.

Complete losses to telecommunications systems have not been ascertained, but the following partial table affords some indication:

Telecommunication losses

	Installations before occupation	Estimated losses	Estimated minimum requirements for restoration
Copper wires, loop kilometers	110,799	33,900	152,900
Iron wires, wire kilometers	153,835	117,500	
Submarine cables, wire kilometers	2,200	2,200	
Local telephones, sets	[1] 139,445	66,050	122,700
Radio transmitters, sets	451	178	479
Carrier telephone equipment:			
3 channel, sets	3	2	
1 channel, sets	55	24	83
12 channel, sets			
2 channel, sets			110

[1] Lines.

It would appear from the table that in some cases rehabilitation is rightly taken to mean something more than simply making losses good.

Some judgment of the loss in productive power as the result of war can be made on the basis of production figures. These are given in greater detail in a later section of the report. Only illustrative figures will be given here. The best prewar output of coal was 41,000,000 metric tons as against 15,000,000 metric tons in 1946. For other minerals the comparable figures are given in the section dealing with industry, mining, and power.

The decline in production is attributable not simply to the dislocation of the current production by war conditions, but also to damage. Tungsten, antimony, and tin mines were closed down, and subsequently flooded and caved in because of lack of maintenance. The remainder suffered capital depreciation because equipment and operating supplies could not be imported.

As a result of the reoccupation of territory and of acquisitions from UNRRA, the electric power capacity under the control of the Government is higher than before the World War, but for the whole area of China, including Manchuria and Taiwan, the power has declined appreciably.

The main causes of the decline were: In Formosa, intensive Allied bombings; in Manchuria, removal of plants by the Soviet Army, and later (as well as in north China) interference with operations and destruction during the civil war; in China proper, poor maintenance, shortage of equipment and spare parts, and reduced supplies of coal.

The industrial picture generally must take account, not simply of the damage, depreciation, and interruption to current production during a prolonged period of war, but also of the virtual stoppage of the industrial revolution which was in its early stages on the outbreak of hostilities. The acceleration of industrial development by the Japanese, especially in the northeastern provinces, did not compensate for either the interference with development or the damage incurred during the war. There was great damage to physical assets, lack of maintenance, a shortage of replacements, and heavy depreciation and obsolescence.

Present capacity in pig-iron production is about 36 percent of prewar, though for steel ingots the capacity is about 11 percent greater than before the war. Sugar production capacity is about 50 percent of prewar, cement slightly higher than prewar, and textiles 40 percent of prewar. These figures do not tell the whole story, for actual output as distinct from capacity has declined even further below the prewar maximum output.

Conditions during the aftermath of war have been conducive neither to the rebuilding of devastated or depreciated plant nor to the maintenance of full capacity output with existing plant; these conditions are discussed in connection with the postwar situation.

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In India and China, the requirements of war and a recognition of the necessity for competent personnel in the postwar period of reconstruction led to the establishment of schemes of training.

During the war under lend-lease agreements about 1,200 men and women were sent to the United States for training from China. With the ending of lend-lease, responsibilities for the 966 men who had already arrived in the United States were assumed by the Chinese Government. The Ministry of Economic Affairs has stated that between 1941 and 1947 it had arranged for the training of 4,383 workers in various industries and 6,677 workers in different ministries. The Ministry has now taken steps to outline plans for further vocational and industrial training.

* * * * *

With the destruction of capital are associated other losses and impediments to economic activity. Manpower is diverted from production. Materials, productive power, and transport are used which would otherwise be available for restoring the economy. In China, for example, railways and shipping have been used for the movements of troops and supplies. The transfer of population, either compulsorily or in the attempt to escape to more stable and safer areas, disturbs productive processes. It becomes difficult even to keep existing productive resources fully employed. The disruption of transport and its diversion to military purposes are of especial importance in their effects in hampering the movement between areas of coal, food, raw materials, and finished products.

These conditions not only reduce the ability to produce but also the incentive. Economic insecurity in the enjoyment of the fruits of labor, threats of reprisals, and the lack of incentive goods discourages effort. In China, land has been abandoned.

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The costs and confusion resulting from such conditions in several countries inevitably add to the problem of balancing the public finances and therefore increase inflationary pressure.

A particularly serious effect on the Chinese economy is the virtual blocking of economic exchange between the areas under the control of the Nationalist and Communist governments. As has been mentioned, the resources of Manchuria are vital to reconstruction in China—to an integrated development policy advantageous to the whole country. By the end of 1946 the Communists still held nearly 25 percent of the total area of China and Manchuria, which was occupied by 27 percent of the population.

Manchuria is of great importance as a reserve of mineral and agricultural wealth and a source of power. Of total mineral reserves Manchuria is estimated to possess the following percentages:

	Percent
Coal	1.5
Oil shale	41.6
Iron ore	65.4
Lead	52.7
Zinc	86.6
Aluminum clay	82.7
Magnesite	98.4
Pyrites	94.8

In addition, four-fifths of the timber resources are in Manchuria.

Manchuria's relative importance to the Chinese economy is equally demonstrated by figures of production. The following show the percentage of total production provided by Manchuria in a number of important products in 1936:

	Percent
Coal	31.9
Crude oil	100.0
Iron ore	45.2
Pig iron	82.6
Iron and steel	85.7
Lead	31.4
Salt	23.3

Over 65 percent of power capacity was in Manchuria, and 8.8 percent of cotton spindles. Manchuria predominated in the production of soybeans.

Railway mileage as of August 1947 was estimated as follows:

	Kilometers	
	Total length	Length in operation
China proper	14,578	8,572
Manchuria	11,336	1,667
Total	25,914	10,239

The depletion of coal supplies, especially to industrial cities such as Shanghai, is a major handicap in the present situation. The cutting off of supplies from areas now held by the Communists or from damaged

mines is an important cause of the present difficulties.

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The World Food Survey of 1946 estimates the prewar per capita food consumption per day at 2,201 calories, but this average would cover considerable differences in different places, largely owing to difficulties in transport.

The prewar production of food crops amounting to 2,757,000 shih tan (1 shih tan being equivalent to one-half quintal or one-twentieth metric ton), increased by 3.1 percent to 2,844,000,000 shih tan in 1946, the first postwar crop year, and by 8.2 percent to 2,984,300,000 shih tan in 1947. Wartime food crop production, however, decreased by 20.6 percent, from 2,077,500,000 shih tan in 1937 to 1,649,000,000 shih tan in 1945.

The percentage increase of production during 1946–47 is 2.3 percent for cereals and 22.1 percent for root crops. The production of kaoliang has declined while that of pulses has shown no increase. Among the cereal crops the percentage increase is lower for the two staple crops of rice (4.7 percent) and wheat (1.1 percent), but higher for other crops (3.3 percent to 14.4 percent).

Changes in the production of the major food crops are given below:

China's production of food crops, 1936, 1946, and 1947 (for 22 Provinces, in million metric tons [1])

	1936	1946	1947 estimate	Increase of 1947 over 1946 (percent)
CEREALS				
Rice	48.0	47.4	49.4	4.7
Wheat	23.1	23.4	23.7	1.1
Barley	8.1	6.3	6.9	9.7
Oats	.9	.7	.8	11.7
Kaoliang	7.7	5.5	4.9	10.0
Millet	6.8	7.8	[2] 7.8	--------
Proso-millet	1.6	1.4	[2] 1.4	--------
Corn	6.1	7.8	7.5	4.0
ROOT CROP				
Sweetpotatoes	17.1	15.7	25.9	16.5
PULSES				
Peas	3.5	3.1	3.4	8.1
Bread beans	3.1	2.9	3.0	4.9
Soyabeans	5.9	4.5	5.6	22.6
SEEDS				
Peanut	2.6	2.2	[2] 2.2	--------
Sesame seed	.9	.2	[2] .7	--------
Rapeseed	2.5	3.8	3.8	--------

[1] The 22 provinces include: Anhwei, Chahar, Chekiang, Chinghai, Fukien, Honan, Hopei, Hunan, Hupeh, Kansu, Kiangsi, Kiangsu, Kwangsi, Kwangtung, Kweichow, Ninghsia, Shansi, Shantung, Shensi, Szechwan, Suiyuan, and Yunnan.

[2] Assumed to be the same as in 1946.

On the average of the years 1933–37, rice imports totaled 974,000 metric tons, wheat 585,000 metric tons and wheat flour 99,000 metric tons, the main suppliers of rice being Indochina, Siam, and Burma. The corresponding imports for 1946 were 123,000 metric tons, 359 metric tons and 178 metric tons respectively. Imports of rice from January to May 1947 were 148,000 metric tons, of wheat 35,000 tons and of flour 132,000 metric tons.

The total supply position appears to be approximately the same in 1947 as in 1936, increases in domestic production having been offset by smaller imports. Unfortunately, however, the disparities between different parts of the country are even more marked than in prewar years as the result of the effects of the Civil War and of the dislocation of transport. Populations handy to services of supply may have surpluses above prewar consumption, but it is difficult to shift these to deficit areas. The loss through poor storage facilities and destruction of grain by rats is serious; considerable saving could be effected if attention is given to these factors.

The average production of meats and fish for the years 1934–47 is given at 6,470,000 metric tons. In 1946 it was lower by nearly 10 percent at 5,786,000 metric tons. Figures for the same years for egg production are 734,000 metric tons and 685,000 metric tons respectively, and for lard 997,000 metric tons and 833,000 metric tons respectively.

Comparative data for tea, sugar, vegetables and fruits are too scanty and incomplete to be of much value.

Tobacco production declined in 15 provinces from 475,900 metric tons in 1936 to 378,020 metric tons in 1942, but by 1946 had recovered to 448,000 metric tons. In 22 provinces including the above 15, production was 633,900 metric tons in 1936 and 618,700 metric tons in 1946.

Reliable data on the prewar production of tung oil is not available, but is considered to have varied around about 120,000 metric tons. Production for 1946, 1947, and 1948 is estimated at about 60,000 metric tons, or about half the prewar production.

Of great importance to the economy is the heavy decline in cotton production. There was some recovery of production in 1942 in the attempt to make good the loss of cotton imports on the outbreak of the Pacific war, but the decline in production continued thereafter until 1945. In that year production in free China was 33.2 percent of the prewar level, and occupied China 28.2 percent.

The supply position is indicated by domestic production and external trade in cotton as follows:

Cotton supply in China

[In metric tons]

Year	Production	Imports	Exports	Total supply
1936	848,800	36,800	40,700	844,900
1945	258,100	(1)	(1)	(1)
1946	376,500	[2] 344,600	----------	721,100
1947	550,000	[3] 59,200	----------	[2] 609,200

[1] Not available.

[2] Including UNRRA supplies.

[3] January to June.

Estimates for domestic farm animals (buffaloes, oxen, horses, donkeys, goats, sheep, and hogs) and for poultry are difficult to compare because the figures relate to different total areas in different years. In 1946 there were stated to be 139,423,000 domestic farm animals and 254,717,000 head of poultry in 22 provinces (also Sikang, Sinkiang, Formosa, Jehol, and Manchuria) as against 145,647,000 domestic animals and 311,095,000 head of poultry in 1936 in 22 provinces (without Sinkiang, Jehol, Manchuria, and Formosa). Hence the decline in the aggregate appears important.

Figures are given in more detail as follows:

Livestock on farms, 1936 and 1946

[In thousands]

	1936	1946
Domestic animals:		
Buffaloes	11,056	9,203
Oxen	22,299	22,885
Horses	3,418	4,967
Mules	3,913	2,828
Donkeys	10,041	6,847
Goats	17,868	17,859
Sheep	14,025	19,227
Hogs	63,027	55,605
Poultry:		
Chickens	254,148	191,652
Geese	56,889	56,187

In discussing war damage, shortages of livestock, fertilizers, and farm implements, losses in area or fertility due to evacuation, floods, and the deterioration of drainage and irrigation works were mentioned as among the causes of the decline in production. These give some indication of requirements.

In 1937, imports of fertilizer into China amounted to 167,621 tons of which 97 percent was ammonium sulphate. Taiwan, which relied heavily on chemical fertilizers for both sugar and rice, produced 30,000 tons and imported 410,000 tons as well as 167,000 tons of beancake from Manchuria.

Taiwan's requirements are placed at 500,000 tons of chemical fertilizer annually, while China requires about 180,000 tons annually. Taiwan and China together are in a position to produce some 84,000 tons. Current import requirements are therefore about 600,000 tons annually, unless local domestic production can be increased. In view of the world shortage of fertilizer, projects are under consideration for the expansion of domestic productive capacity. These are estimated to require imported equipment to the value of United States $50,000,000 and an equivalent amount in Chinese national currency for the purchase of materials locally and erecting the plants. The full completion of these projects is estimated to raise domestic production to 855,000 tons, remove the need for imports, and indeed permit of some expansion in the use of fertilizers.

There is a similar need for supplies of insecticides and fungicides. With the aid of UNRRA supplies, there has been much progress in insect and disease control. Further supplies are needed, the provision of which, from plants in Shanghai, Peiping, and Mukden, is handicapped by lack of materials, machinery and accessories.

In addition, imports are needed which include 720 tons of stomach poisons, 280 tons of contact insecticides, 40 tons of fumigants and 350 tons of fungicides.

Veterinary requirements are reported to include:

Br. abortus strain 19;

B. anthracis (avirulent) strain Nos. 2 and 4;

Avianized rinderpest virus seed culture;

Cl. chauvoei;

Penicillin (crystal) 10,000 bottles of 100,000 units;

B. T. V. 500,000 cubic centimeters.

Crystal violet vaccine (swine) first year, 500,000 cubic centimeters; second year, 200,000 cubic centimeters; third year, 50,000 cubic centimeters.

In addition, about 600 kinds of drugs, 500 items of equipment, and 200 titles of reference books and periodicals are listed as immediate needs for China's veterinary program.

Such requirements are of especial importance in view of the losses in domestic animals. So also is an increase in the number of technical personnel and the extension of facilities for technical training. Apart from the war, annual losses from contagious diseases are high. They are normally about 60 percent for chickens, 20 percent for hogs, and 5 percent for cattle and buffaloes.

In addition to reducing losses from disease, the Chinese Government plans to improve the native breeds by importing livestock and poultry.

Seeds are also required to improve the varieties of plants. Improved varieties of rice, wheat, cotton, millet, sweetpotatoes, sugarcane, oranges, and apples are available. Many improvements have been made by Chinese agriculturists and have increased yields of from 10 percent to 20 percent, but imported seeds are also needed, especially for cereals, cotton, and vegetables. Among import requirements are 1,500 metric tons of cottonseeds of Delfos 531 and the same amount of Stoneville 4, both being obtainable from the United States. In order to promote the extended use of such improved strains, more trained agriculturalists for extension work are needed.

Shortages of farm implements still have to be made good. The agricultural-implements program of UNRRA and the National Agricultural Engineering Corporation (organized on a nonprofit basis by the Ministry of Agriculture and the Farmer's Bank) provides for the manufacture of a wide range of farm implements and the development of improved models. The full program is estimated to require 3,000 tons of equipment, 7,000 tons of material, and over 5,000 technical personnel, including engineers and mechanics.

The necessity for the prevention of floods and for developments in irrigation and drainage has been referred to in relation to war damage. Large areas could be reclaimed or improved by these means, thereby both increasing average animal production and reducing the danger of famine. Irrigation needs include digging wells in the northwest and repairing canals and waterways and digging wells and installing pumps in the southeast:

Short-term needs for irrigation include:

Kind of equipment	Unit	Specifications
Power-driven centrifugal pumps, low lift, low head, with engine, suction and discharge pipes:		
6-inch	8,000	16 horsepower.
8-inch	6,000	25 horsepower.
10-inch	3,000	45 horsepower.
12-inch	1,000	60 horsepower.
Well-drilling rigs	880	4-inch pipe.
Deep-well pumps	13,200	4-inch suction pump, 16 horsepower.

In addition, equipment for manufacturing well-drilling rigs and pumps should be supplied so that China can establish plants to meet her own needs. Technical assistance in operating and manufacturing irrigation equipment is necessary.

Short-term irrigation projects over a 3-year period could cover 4,037,300 shih mow [5] at an estimated cost of US$20,000,000. These are expected to increase crop production by 200,000 tons a year.

Large-scale flood-control and drainage projects are also proposed.

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Information on fisheries does not permit of a detailed statistical analysis. A considerable amount of fishing is for subsistence and statistics on this are difficult to obtain. In the discussion on war damage reference is made where possible to losses of fishing vessels. This is useful to the general picture, but it is not reliable as a guide to reconstruction needs because of the difficulty in allowing for differences in the efficiency of craft, for the contribution of different types to the food supply, and especially for the degree to which acquisitions since the end of the war have made war losses good. For the above reasons the reconstruction problem as it applies to fisheries is stated in general terms.

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It is impossible to give any reliable statistics of the fishing gear in use before the war. There are some statistics indicating the number of vessels of certain categories, but these are patently incomplete and moreover cannot be reduced to terms indicative of the amount of fishing effort available in the area. In those territories affected directly by the war there has certainly been considerable reduction in the amount of gear and the number of vessels. There was direct destruction and also loss caused by the inability to effect repairs and replacements. These losses have been estimated as being in the order of 50 to 60 percent in China, the Philippines, French Indo-China, and the Indies. Since the end of the war there has been rehabilitation of varying degree in these countries and also in those countries which were subjected to war effects of lesser intensity. In the case of traps and native gear which are built of native materials and are customarily replaced fairly frequently, rehabilitation has been effected so far as economic or political disturbances did not interfere. Moreover, UNRRA operations in China and the availability of surplus Army equipment in the Philippines and elsewhere have meant the introduction of a body of powered equipment in excess of prewar holdings. In the Philippines there has been an appreciable development of the fish-carrier business, by vessels obtained from surplus war stocks.

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Only a relatively small proportion of the fish catch was eaten fresh, the bulk of it being processed by methods which would appear very primitive to western eyes. The chief methods were drying or salting, conversion to fish paste and conversion to fish sauce. There was some smoking, but, except for the Japanese operations, very little canning. The fresh fish consumed was eaten immediately after capture, except for the supply to certain cities, and it was only in relation to this exceptional supply that any ice or cold-storage facilities were required. Moreover, frozen or ice-protected supply was only a very small proportion of the total catch, but with the trend toward mechanization of the fishing operations processing and storage equipment are being developed. Ice-making plants are on the increase as a result of the surplus equipment left by the armies (in India, the Philippines, and elsewhere) and of extensive programs of development. For example, UNRRA is bringing 75 ice-making plants to China. Canneries, production plants, and the like have been brought into the region or are being planned, and it is obvious that there will be considerable development of secondary handling equipment.

A notable development is in the initiation of oil production for medicinal purposes. Oil production for other purposes has been practiced for some time, but vitamin-oil production is new.

The installation of secondary equipment for food processing will compel the revision of marketing and handling practices and changes in food habits. These should be accompanied by an appropriate educational program. The fish-eating habits of most of the people are fairly well established and do not include the consumption of frozen fish.

It should be noted that in the war-affected countries, many of the plants for native processing were destroyed or neglected.

Two tasks must be undertaken: first, the restoration of the equipment destroyed, lost, or neglected because of the war, must be completed, and second, mechanization of the equipment must be proceeded with, this being in some cases an alternative to renewing old-type equipment. Fortunately, there is a general quickening of interest in fisheries. Almost all territories have plans for the extension, or even the creation of governmental organizations to include extension, development, and research.

In China some of the productive potential of the UNRRA equipment is being earmarked for a governmentally run or sponsored, integrated project. The Government of China also has other plans for the development of its fishing industry and in addition has established its National Fisheries Research Institute.

* * * * *

The following table summarizes the position in respect of major groups of industries:

Commodity	Prewar capacity	Prewar maximum output	Present capacity	Present output	Unit
Coal	55,000,000	41,000,000	30%	1946, 15,010,000; 1947, 8,577,000 (half year); 1948, 25,000,000 (planned).	MT
Pig iron	1,536,000	3,522,650	549,450	Nil	MT
Steel ingots	710,400	1,592,860	800,000	1947, first half, 5,676	MT
Steel products				1948, first half, 7,512	MT
Sugar	44,000	[1] 1,004,352,095	22,500	30,883,000 [1]	
Cement	2,240,000	1,463,376	2,650,000	1946–47, 725,000	MT
Textiles	[2] 5,082,000	5,900,000	[2] 3,000,000	([3])	

[1] Kilograms.
[2] Spindles.
[3] 1947 estimate, 2,475,000 MT's of yarn.

The textile situation is given in greater detail as follows:

Textile industry in China

	1936	1937	1947
Number of spindles, excluding doubling (March)		5,102,796	4,500,000
Spindles working (March)		5,052,792	3,800,000
Production of yarn (pounds)	879,150,720		[1] 323,095,000
Production of cloth:			
Pounds	365,746,000		[1] 251,400,000
Yards	1,219,150,000		[1] 838,000,000

[1] First 6 months.

Destruction, damage, and depreciation of equipment and inability to procure replacements have been mentioned as among the major causes of the decline in capacity. Decline in production is due not only to these factors but also to dislocation of transport, reduced supplies of power and raw materials and the general economic dislocation occasioned by war.

Among other factors which militate against the fullest utilization of the existing industrial assets are the dislocation of transport and supply of coal and electric power. Inflationary conditions, which have gathered momentum, have disturbed the relation between cost and market price to such an extent that production has suffered significantly. It has resulted in the diversion of capital to speculation, rather than to production, unprecedented decreases in interests, wages, and salaries, flight of capital and the neglect of capital equipment.

As regards mining, the best prewar output of coal was 41,000,000 metric tons as against 15,000,000 metric tons in 1946.

[5] 1 shih mow equals 0.67 hectares.

For other minerals the comparable figures are as follows:

Mining

Mineral	Best prewar production	1946	1947 [1]
Tungsten ore	14,541	2,331	5,500
Antimony (regulus)	15,185	971	2,700
Tin	12,954	1,963	1,750
Copper	483	100	1,000
Lead	7,820	400	100
Zinc ore	14,567	100	80

[1] Estimated.

Apart from coal, electricity is a very important source of power in China, particularly in Shanghai where more than 50 percent of factories are run by electricity. Sixty-seven percent of the electric supply in China is derived from coal, and only 31.5 percent from water power.

The following figures give changes in capacity to produce electric power:

	Prewar capacity, installed kilowatts	Prewar energy output (maximum), millions of kilowatts	Before VJ-day 1945, capacity, kilowatts	June 1947, capacity
China proper, excluding Formosa or Manchuria	631,165	1,724.0	660,815	736,441
Formosa:				
1932	68,992	83.6		
1938	225,345	384.8		321,000
1941	302,754	[1] 510.7	320,000	
1944	320,000			
Manchuria:				
1937	412,000			
1941	1,108,300	(2)	1,768,920	267,000
Total:				
1936–37	1,265,498		2,749,735	1,324,440
1941	2,042,219		(1945)	(1947)

[1] 1939. [2] Not available.

The output of current is given as follows:

Output of current:	*Chinese-owned plants*
1946	3,624,053,661
1947 (January to March)	1,009,039,133

The above figures are incomplete, but they afford support to the view that the decline in power production is important. Reasons for this decline are given in the discussion of war damage.

The requirements for the restoration of production in the best prewar years are considerable, and it is not possible to list them fully. The following are among the main requirements:

Industry	Value of requirements	Details
Coal	US$51,827,000	57,000 tons of new equipment to yield prewar output of 41,000,000 tons. Power plants, mine hoists, cars, railroad cars with locomotives, and all necessary mining equipment and accessories, spares, and repair or maintenance materials.
Iron and steel	US$50,000,000 (plus Japanese reparations materials).	To provide for initial capacity as under: (i) 1,178,000 tons per year of coke; (ii) 1,497,000 tons per year of pig iron; (iii) 1,680,000 tons per year of steel ingots; and (iv) 1,305,000 tons per year of rolled products.
Cement	US$4,600,000	To restore prewar level of output: 4 turbogenerators, of 4,000 kilowatts each; 8 electric shovels; 16 air compressors; 6 sawmills; 6 cement mills; 4 rotary kilns; and other equipment and instruments.
Sugar	US$25,000,000 (orders placed in 1947 spring, US$5,000,000).	To reach prewar level of output: Machines, spares, construction materials, plantation railroad materials, fertilizers, etc.
Shipbuilding	US$7,000,000	Machinery, installations, equipment, etc., and spare parts.
Mining	Not given	For tungsten, antimony, and tin mines: Diesel-oil power plants, 4 sets 150 kilowatts each, mining equipment, such as portable air compressors, drill-steel sharpeners, drill cutters, and shank drivers, hand shanking tools, hoists, oil furnace and mechanical leaders, as well as tungsten gravity mills, diamond drills, wagon drills, and machine-shop equipment.
Electric plants	US$30,000,000	160 kilowatts of equipment: 130,000 kilowatts generating plants of 2,000- to 10,000-kilowatts capacity, hydro generating plants of total 30,000-kilowatts capacity, power transformers of 1,000- to 10,000-kilowatt-amperes voltage, totaling 150,000 kilowatt-amperes, 300 tons of conductors, 50,000 pieces of insulators, 30,000 pieces of disk insulators, 100,000 pieces of watch-hour meters, 100 pieces of switches, 5,000 tons structural steel, etc.

For all mills standard spare parts are needed and (except in tin mills) timber.

* * * * *

CHINA

Length of railways north of the great wall is given as 11,342 kilometers, of which only 1,667 kilometers are now in operation. South of the great wall (including Taiwan), the corresponding figures are 14,586 kilometers and 8,600 kilometers respectively. Some 5,660 kilometers of line south of the wall were destroyed or dismantled and of these 2,296 kilometers have been restored.

Even if the necessary materials were to be obtained and alloted, the rehabilitation of the Chinese railways north of the great wall does not seem to be a possibility owing to the events in Manchuria. This means that the quantity of material and equipment needed for the railways is greatly decreased as against the original estimate. The immediate problem, therefore, concerns the Chinese lines south of the great wall. Here the railway system has improved somewhat as the result of UNRRA acquisitions.

In order to maintain the existing railways, the Chinese Government states that 100 locomotives, 150 passenger cars and 1,600 freight wagons, approximately 4 percent of the existing rolling stock are required annually. Only about 10 percent of these requirements can be supplied from within the country itself.

The official estimates of requirements for rehabilitation and reconstruction are as follows:

Rails and accessories, 500,000 tons (C); turnouts, 3,000 sets (C); bridge and culvert steel, 60,000 tons (C); signalling and communication apparatus, 4,500 tons. (C); cement in 1,000,000 pounds, 6.9, (A) 6.2, (B) 0.7; cross ties in 1,000,000 pieces, 14, (A) 4.2, (B) 1.4, (C) 8.4; switch ties in 1,,000,000 FBM, 21, (A) 8.3; bridge ties in 1,000,000 FBM, 6, (B) 2.8; bridge timber in 1,000,000 FBM, 0.8, (C) 16.7.

For maintenance: Annual replacement: Rail and accessories in 1,000 tons, 60, (C); ties in 1,000,000 pieces, 5, (A) 3.5, (B) 0.5, (C) 1.0.

NOTE.—(A) Those that can be provided within China; (B) Those that can be provided from far eastern region; (C) Those that can be provided only from other sources than (A) and (B).

A five-year program of railway construction was contemplated involving additions as below:

	Existing number	5-year plan
Locomotives	2,141	2,300
Passenger cars	3,253	3,000
Freight wagons	39,178	27,000

But it now seems clear that this must be considered as a long-range project, and that until the existing lines have been rehabilitated priorities for its fulfillment are out of the question.

UNRRA railway supplies to China are given in the section as war damage.

The length of the existing national highways in 1947 is 74,853 kilometers. At present in southwest and northwest China only maintenance work and minor improvements are being carried out. In southern China there has been some minor improvement of arterial highways. In north China road maintenance is coordinated with military needs.

Lack of bituminous materials for the surfacing of highways, and lack of technical personnel have interfered with road improvements, so that even existing road-building equipment is not fully used.

Between 1937 and 1947 lorries increased in number from 17,655 to 37,287, but passenger motorcars decreased from 36,143 to 16,071 and buses from 10,837 to 4,323.

Estimated supply requirements in China, both for road construction and motor transport, material and equipment for road construction

Description	Unit	Quantity	Unit price	Total sum
Structural steel	Ton	60,000	$100	$6,000,000
I-beam	do	67,500	80	5,400,000
Reinforcement	do	45,000	80	3,600,000
Lumber	M.b.m.	60,000	150	9,000,000
Cement	Ton	125,000	24	3,000,000
Corrugated steel				
Pipe and multiplate arch.	Ton	50,000	100	5,000,000
Bituminous materials.	do	300,000	60	18,000,000
Construction equipment and spare parts.	do			2,000,000
Total				52,000,000

NOTE.—The materials in the above table cannot be provided from within the country.

The estimated amount of motor supplies needed for 1947 is: Trucks, 4,000; gasoline, 13,500,000 gallons; lubricating oil, 1,350,000 gallons; tires and tubes, 54,000 sets; spare parts for 30,000 vehicles.

The supplies above cannot be provided from within the country. In 1946 the motor supplies used in China were: Gasoline, 48,300 metric tons; lubricating oil, 5,900 metric tons; tires, 34,700 metric tons; spare parts, 70 metric tons.

(The above items excepting 109,257 rupees' worth of tires from India, were purchased from the United States.)

As on July 1, 1947, the number of ships in China, both seagoing and inland vessels, was 2,518 with a total gross tonnage of 808,815. Of these there was not a sufficient number

of passenger or mixed passenger-cargo ships, namely, 50,000 and 152,000 tons, respectively, out of a total tonnage of 809,000. As regards fishing vessels, there were only 61 with a tonnage of 4,000 sufficient to meet only a fraction of the requirements.

* * * * *

IV. SUMMARY OF PROPOSALS AND RECOMMENDATIONS

A. Recapitulation of reconstruction needs

The preceding summary, incomplete and inadequate as it may be, serves to bring into sharp focus the immediate problems of this vast region where live nearly one-half of the world's population. Several parts of the region are in different stages of their transition from colonial status. Their fortunes had been linked with those of the more advanced countries through their trade relations which were complementary to those economies. They were producers and exporters of raw materials in return for imports of manufactured goods and capital, and their prosperity fluctuated with fluctuations in the demand for their goods. Very often the terms of trade were against them and this particularly in periods of depression when their incomes declined rapidly and seriously.

There has been a general lack of balance in the economic development of this region which is shown by preponderance of primary production and by the low degree of industrialization. Paradoxically, in spite of their dependence on agriculture, the region as a whole was unable to provide the essential foodstuffs for the vast population. The region was, however, making efforts to redress the balance and improve the situation when the war came. The war meant dislocation, damage, and in certain respects utter destruction of the precarious economy of this region. In the war zones large numbers of people suffered from injury, starvation, malnutrition, and death. Thus there has been a general decline in the already low standard of living which has resulted in undernourishment and disease.

The abandonment of land in fighting zones and the neglect of irrigation, drainage, and flood-prevention works threw out of cultivation large areas and caused a considerable diminution in fertility. After the war implements were worn out, livestock was depleted and there was a shortage of fertilizers, fungicides, and insecticides. Plantations suffered from neglect and shortage of fertilizers; timber resources were heavily depleted. The loss and destruction of fishing vessels and equipment reduced the supply of fish.

All forms of land transport were special objects of attack and in addition suffered from lack of maintenance. Rolling stock and road vehicles were heavily reduced in number and quality of operation. Heavy losses in shipping and damage to ports and installations have greatly impaired both inland and seagoing water transport.

Industries, mines, power plants, and commercial and residential buildings suffered likewise from damage and looting and from depreciation through overworking, neglect of maintenance, and the inability to import constructional materials, plant, machinery, and spare parts.

To these effects must be added the dislocation of economic organization and of governments and public administration. The additional strain on government and administrative personnel, the lack of training and recruitment during the war, and casualties have depleted the ranks of officials and raised a serious problem of recruitment and training for the future. The same applies to administrative and technical personnel in business.

The war also seriously dislocated international economic relations and has brought about important changes in the pattern of trade and investment. The changed position of Japan and of European countries has affected their ability to contribute to reconstruction within the region as markets, source of supply, and sources of foreign investment. On the other hand, the United States had gained in financial strength and productive power, while Canada and Australia have increased their productive potential. Of great importance in the postwar situation are changes in political status in the direction of greater independence. All of these conditions will have marked consequences in international economic relations both within the region and between the regions and other parts of the world.

The continuance of political unrest within the region has resulted in further damage and losses and hampered reconstruction activities. It has intensified these inflationary pressures engendered by the war itself and by the general conditions of economic dislocation.

While there has been some recovery this has been uneven both as between countries and different types of production.

The needs are so large and urgent. It is difficult to determine the order of priorities, but in view of the immensity of the needs it may be useful to indicate broadly the most urgent ones.

Food is obviously priority No. 1. The provision of food to areas facing starvation is all-important, for without it no productive activity can be resumed or increased. The areas which had normally a surplus of food production and which used to export the surplus should be enabled to reattain their prewar production. Other areas which have clear possibilities of attaining some degree of increased output, if not self-sufficient, should be encouraged and assisted through supply of manures, fertilizers, farm implements, insecticides, farm cattle, and transport. Until that is attained such areas will need food imports for which purpose it is necessary that they should increase output of commercial and exportable goods. The expansion of production of such goods also requires assistance of the kind indicated elsewhere.

Scarcely less urgent is the rehabilitation of transport and the improvement of transport facilities. The damage to transport caused by the war is universal in this region. Every country has suffered heavily on account of the destruction of all forms of transport. Apart from the mere restoration and rehabilitation of transport, the expansion of transport facilities is basic to the production and movement of goods. In several countries even available food supplies cannot be properly distributed owing to lack of transport facilities. Coal production and distribution have also been held up on account of transport. For these and other reasons, urgent attention has to be given to the methods of rehabilitating and expanding transport.

The increased production and supply of manufactured goods, and in particular certain incentive goods like textiles, is not only essential in itself as part of a reconstruction program but is necessary to induce the cultivators to part with their food grains. In nearly all the countries of this region it has been found that the supply of consumer goods to the farmers is one of the means of procuring efficiently the available food supplies. Further increased production of manufactured goods is an essential condition for the restoration of living standards. In regard to this, textiles naturally assume an important role. The textile industry in this region was, before the war, the most important and the decline in its capacity has been one of the serious factors which has contributed to the decline in living standards. The requirements in this respect vary between countries. In India the problem is one of replacement and repairs of the overworked textile machinery. In China the main need would appear to be the supply of raw cotton and restoration of its spindlage.

Another important reconstruction need is the availability of coal and other sources of power. The destruction of coal mines apart, the restoration of coal mines requires some capital equipment and replacement of machinery and parts. Coal has been an important lack in several countries in the region. Certain countries have plans for increasing hydroelectric and other forms of power, but all these require capital equipment which cannot be secured without either increased supplies of foreign exchange or foreign loans.

Thus the serious shortage of foreign exchange not only impairs the ability to reconstruct but also raises difficulties in the importation of necessary raw materials and consumers' goods. Rehabilitation of export industries will, of course, greatly ease the situation but for most countries the need for foreign loans is urgent.

The survey has in several parts brought out the importance of developing technical personnel. Although this has been dealt with separately, this is the basic requirement which requires to be thoroughly examined.

Finally, there has been so little knowledge among the individual countries within the region of each other's needs and programs of reconstruction. The pooling of such knowledge and expedients is not only desirable in itself but will also enable the countries within the region to know more precisely how far their needs can be met from among themselves. There is undoubtedly scope for regional cooperation in various fields, including, perhaps, even an interchange of some quantity of capital goods.

B. Summary of proposals and recommendations

The preceding paragraphs very briefly describe the general situation as it now exists. The account of conditions in the separate countries made in the body of the report is sufficient to bring home the gravity of the problems with which they separately and collectively have to cope and to draw attention to variations from the general picture as they occur from area to area. For Ceylon, China, India, Malaya, and Singapore, Indonesia, and the Philippine Republic, separate country studies have been prepared and appear as annexes to this report. In these the problems of reconstruction are considered in greater detail.

This paper, and the above country studies, endeavor to describe and analyse the situation as it now exists. But it is a situation subject to continuous change. It is of great importance to be informed on the changes which occur and on the steps taken to meet them. Hence it is recommended in the report on functions and methods of ECAFE (doc. E/CN., November 1938) that the executive secretary publish an annual economic survey of ECAFE countries, which will deal with economic conditions within the region, together with brief reports on the activities of ECAFE, on the results of investigations, and on significant reconstruction programs and policies.

Certain proposals and recommendations have been made in the report. For convenience of reference these are now recapitulated.

The proposals are concerned with activities which may be undertaken by the Secretariat. They include the following:

(i) An examination of the economic effects likely to result from the changes in the relationship between Japan and Korea, Formosa and Manchuria.

(ii) Reports, from time to time, on economic developments in Japan, in their bearing on the welfare of the whole region.

(iii) A study of the economic significance for the region of the development of substitutes.

(iv) The study of those activities of UNRRA which are of special importance to the problem of agricultural reconstruction.

(v) A study, in consultation with the International Monetary Fund, of the extent of shortages of foreign exchange, the causes of such shortages, and the means which might be taken to remedy the situation.

The following recommendations are made:

I. That a working party be established at an early date to consider the problems of supplies of fertilizers, insecticides, fungicides, poisons, and veterinary requirements; and that its terms of reference should include the following:

1. Consideration of—

(a) The requirements of the region.

(b) The extent to which these may be met within the region.

(c) The best means of augmenting supplies from within the region.

(d) The possibility of obtaining supplies from areas other than those within the region.

2. Consideration of the extent to which, in view of the requirements of the region and of the supply situation, it is desirable to establish a commodity board in respect of the above requisites, to augment supplies and assist in their allocation.

3. Consideration of the manner in which ECAFE may best cooperate with FAO in fulfillment of the above purposes.

II. That the attention of FAO be drawn to the desirability of examining the methods followed in countries throughout the region to increase the supply and improve the quality of agricultural tools and implements and machinery and equipment for irrigation, drainage, and river conservancy works.

III. That the executive secretary confer with the director-general of FAO with a view to arranging cooperation in the collection and dissemination of information relating to food production and supplies as they affect the region.

IV. That members be invited to report on reconstruction plans and programs in relation to food and agriculture and that the executive secretary be empowered, at his discretion, to call a conference of officials engaged in the task of reconstruction within the region, with a view to reporting on methods by which the production of food and other agricultural products may be most readily increased.

V. That ECAFE record its support of proposals to establish a regional fisheries council, and that the executive Secretary consult with the director-general of FAO as to the best means by which ECAFE can cooperate in the furtherance of the objectives of such a council.

VI. That working parties be established at an early date in respect of each of: (1) Transport, (2) fuel and power, (3) industry and materials, and that their terms of reference include the following:

Consideration of:

(a) The requirements of the countries within the region.

(b) The extent to which these may be met from within the region.

(c) The best means of augmenting production and supplies within the region.

(d) Possibilities of obtaining supplies of capital goods or necessary materials from areas other than within the region.

VII. That, in respect of the working party on industry and materials, prior attention be given to the position in relation to cotton and cotton textiles, and that the desirability of establishing a commodity board for cotton and cotton textiles be considered with a view to augmenting production and facilitating the distribution of supplies.

Mr. PEPPER. Mr. President, I have only this to add. What we propose to give China in the bill will be only temporary aid. This is what it is: 225,000 tons of wheat equivalent, 451,300 tons of rice, 750,000 bales of cotton, 25,198,000 barrels of petroleum and petroleum products, 40,000 short tons of soluble phosphatic fertilizer, 42,100 short tons of nitrogenous fertilizer, 84,500,000 pounds of United States tobacco, 17,588 metric tons of lead, zinc, aluminum, brass, and copper, 115,373 metric tons of iron and steel.

Mr. President, in our European recovery program we are trying to get away from simple relief by getting Europe back on its economic feet. In other words, the ERP is a bill to help western Europe to help itself. We wanted to get away from the continual drain of more relief appropriations. Well, Mr. President, why is not the principle equally applicable to China? The China measure is good so far as it goes, if it is intended for the Chinese people and not a small government clique, but the tobacco provided in it will be smoked up. The cotton goods will pretty soon be used up. The fertilizer will be put into the ground and will be gone. The other things we propose to give under the measure will be exhausted in the next few months. But, Mr. President, China will still be an impoverished nation. Therefore I do not know of a nation in the world where democracy properly applied, where better fertilizer for the farmers, where better seed for agriculture, where more adequate farm equipment, where modern agricultural techniques, where marketing arrangements, and the other recommendations of the China-United States Mission and the Reconstruction Commission for Asia and the Far East, would bear more fruitful results than in China.

So I only wanted to say, Mr. President, that until we put into force an effective program of democracy in China, until we bring about land reform, until we give the peasant a chance to know what democracy is, until we give him better health than he has ever had, until we give him education that will give him the power to contribute real strength to his economy and his work, until we make him a democratic unit in the world and give him something to say about his own government and make his government respect his will, we will never be able to lift the Chinese people out of their internal strife, which is endangering their security, and perhaps ours today.

So, Mr. President, I give credit to the economic aspects of this program as far as it goes. But I should much prefer to see us take this as a bare beginning, and expand it until we will really help the Chinese people to help themselves out of their present poverty, and make them one of the great economic powers of the earth, as they are one of the great civilizations of the world.

I earnestly hope, therefore, that we are not going to try to rely upon military aid, to rescue China but that we intend to plant the seeds of democracy, and nourish them and cultivate them until there shall be in China in due course a great harvest of prosperity and democracy for that great and historic people.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

The bill S. 2393 was passed.

FEDERAL AID TO EDUCATION

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. What is the business now pending before the Senate?

The PRESIDENT pro tempore. The Senate reverts to consideration of Senate bill 472.

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 31, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 30 (legislative day of March 29), 1948:

IN THE NAVY

Vice Adm. John L. Hall, Jr., United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Commandant of the Armed Forces Staff College, Norfolk, Va.

Admiral Charles M. Cooke, Jr., United States Navy, when retired, to be placed on the retired list of the Navy with the rank of admiral.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 30, 1948

The House met at 10 o'clock a. m.

Rt. Rev. Msgr. Fulton J. Sheen, professor of philosophy at the Catholic University of America, offered the following prayer:

One may pray to God that Congress may hear or one may speak to Congress that Congress may pray. We shall break the tradition and choose the latter.

Gentlemen of the Congress, you ought to pray to God now as never before:

First. Because, as Lincoln told us: "We have forgotten God; we have imagined in the deceitfulness of our hearts that all our blessings were produced by some superior power and wisdom of our own. It behooves us, then, to humble ourselves before the offended Power, to confess our national sins, and to pray for clemency and forgiveness."

Second. You ought to pray that God, the sovereign King of nations, who once

used Assyria as the rod and staff of His anger, will not now use Russia as the instrument of His justice for the liquidation of a Western World that has forgotten God and banished His name from our schools, but not from the Congress of these United States.

Third. You ought to pray to God that our beloved country, through its generous relief to the vanquished and the hungry: "I was hungry, and You gave me to eat"; and through its dedication to her of whom the Saviour said: "Behold thy mother" may one day fulfill its glorious and certain vocation of being the secondary cause by which God will give freedom to the people of Russia and peace and order to all the world.

Instead, then, of perfunctorily praying to God and then tabling the prayer as "finished business," we say to you: Gentlemen, this is the unfinished business—your prayers. May each of you pledge God to spend at least 30 minutes a day in prayer; then watch our beloved country grow in peace, victory, justice, and happiness.

God love you.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 24, 1948:

H. R. 4838. An act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States.

On March 25, 1948:

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace;

H. R. 3506. An act to provide for the acquisition of a site for a new Federal building in Huntington, W. Va., adjoining existing Federal buildings there, as an economy measure, before land values have increased as a result of improvements;

H. R. 4836. An act to authorize the purchase of a new post-office site at Omaha, Nebr.;

H. R. 4967. An act to provide for the acquisition of a site and preparation of plans and specifications for a new postal building and for remodeling of the existing main post-office building in Portland, Oreg., and for other purposes;

H. R. 5315. An act to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; and

H. J. Res. 320. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the creation of the Territory of Minnesota.

On March 29, 1948:

H. R. 2502. An act to provide for the general welfare and advancement of the Klamath Indians in Oregon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry;

H. R. 2214. An act for the relief of Dave Hougardy;

H. R. 2347. An act for the relief of Mrs. Akiko Tsukado Miller;

H. R. 3061. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory;

H. R. 4177. An act for the relief of William L. Cunliffe;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes and platinum fox furs, and for other purposes;

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1523. An act for the relief of the estate of Marion S. Griggs, deceased;

H. R. 4167. An act to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the legislative assembly of the respective States;

H. R. 4739. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film; and

H. R. 5328. An act to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 329. An act for the relief of Gentaro Takahashi;

S. 419. An act for the relief of Mrs. Teruko Matsukawa (nee Teruko Nagai);

S. 642. An act for the relief of Tang SikPui, his wife, and his five minor children;

S. 661. An act for the relief of Mrs. Lum Shee Jung;

S. 692. An act to authorize a mileage allowance of 7 cents per mile for United States marshals and their deputies for travel on official business;

S. 740. An act to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne;

S. 755. An act for the relief of Toraichi Ambo;

S. 940. An act for relief of Mrs. Chieko S. Kawakami;

S. 1045. An act for the relief of Mrs. Lucia Kim;

S. 1055. An act for the relief of Mrs. Irma M. Pierce and Charles Z. Pierce;

S. 1186. An act for the relief of Thorvaldur Hliddal;

S. 1451. An act for the relief of Perfecto M. Biason and Joan Biason;

S. 1771. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the James S. McDonald Post 5054, Veterans of Foreign Wars, Powell, Wyo.;

S. 1806. An act for the relief of Ensign Merton H. Peterson, United States Naval Reserve;

S. 1950. An act to provide for a decennial census of housing;

S. 1985. An act to amend the act entitled "Boulder Canyon Project Adjustment Act," approved July 19, 1940; and

S. 2278. An act to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended.

EXTENSION OF REMARKS

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD in three instances, in each to include a radio broadcast by Jack Beall.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by Charles Wesley Flint, resident bishop of the Methodist Church, Washington area.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include in each addresses delivered by his colleague the gentleman from Massachusetts [Mr. McCORMACK] at a testimonial banquet held in Boston on Saturday in honor of Eamon de Valera.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD and include an address by Cardinal Spellman.

Mr. PICKETT asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Houston (Tex.) Post, March 21, 1948.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include a statement by Donald E. Reece.

ITALY BELONGS IN THE UN

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, Italy needs food, which we have sent to her in large quantities. She needs material help. She needs arms to resist communism. These are urgent, desperate requirements, and they will be met.

If we stopped here, however, we would crassly ignore the pride and dignity of a great people. There is not time or space to review their accomplishments, and the gifts they have brought to the life of our world.

Suffice to say that, as the birthplace of western culture and as the spiritual center of Christianity, this land and its people are inseparable from the civilization we are trying to save.

Yet, as of today, she is denied her rightful place in the world assembly.

I propose, therefore, that the United States shall sponsor the admission of Italy to the United Nations.

I suggest to the Congress that our delegates to the UN should be instructed to work unremittingly for this goal. Here, if ever, is the opportunity to revise the Charter of the UN. The wanton and unrestricted abuse of the veto power must be corrected, if we are to save the family of nations from disaster.

The plight of Italy brings this problem to a focus.

What nation has a greater right to sit at the council table than the one which has mothered so much of our progress?

World opinion, by an overwhelming majority, recognizes Italy's claim. One country, however, stands in the way of that which is right and just. With cynical indifference to all moral values, she would cut the life line of civilization and divorce Italy from that world of which she is so indispensably a part.

That saboteur is Soviet Russia.

Even at this moment, while communism is attempting to deceive the Italian voters with false promises, communism is blocking Italy's right to be admitted to the United Nations.

Russia did not lift a finger in the struggle to liberate Italy. But Russia demands ships and punitive reparations from the liberated people. Russia encourages aggression against the northern borders of Italy. The Soviets are trying to undermine the Christian faith which is the very heart of Italy's life.

We in the United States, aware of her need for a place in the sun and remembering that the people of Italy, once given the freedom of choice, joined with us in the fight against fascism, rallying to her support.

The United Nations is incomplete without the presence of a free Italy.

As she sponsored us through the discovery of America, we shall reciprocate by working for her rehabilitation, for the development of her democratic institutions, and for her welcome into the UN.

If Russia insists on using the veto to bar Italy, then that use of the veto must be eliminated.

Impossible?

Call on Russia now to answer this question, "Do you by your vote deny Italy's legitimate right to membership in the UN?"

If Russia continues her humiliation of Italy, there is but one recourse. Under article 51 of the Chapter, we will ask Italy and other democratic nations to join with the United States in a pact of mutual self-defense in which all members will be considered as equals.

JOHN L. LEWIS

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, Mr. John L. Lewis and his type may be more dangerous to our peace and security than is Mr. Joseph Stalin. Now, when we are trying to reduce taxes, restrain inflation, and bolster tottering democracies abroad we find Mr. John L. Lewis throwing a handful of monkey wrenches into the machinery. His letter of yesterday to the President's Board was that of an arrogant, egotistical, power-mad tyrant. Mr. Lewis is demonstrating what I have always contended, that the Taft-Hartley bill was not strong enough.

Mr. Speaker, ever-increasing inflation is a one-way street to destruction. Industrial and labor abuses during the war added $100,000,000,000 on to our national debt. Since the war, as during the war, we have permitted gigantic industrial monopoly and gigantic labor monopoly to chase each other around in a vicious circle of ever-spiraling price increases. United Steel workers increased wages, then the United Steel monopoly increased prices. The union again increased wages, the industry again increased prices. Railway labor organizations up wages, then the ICC increases rates. This is followed by another increase in wages, and still another increase in rates. The ICC, on January 1, increased freight rates in this country 25 percent and added $1,300,000,000 on to the cost of consumer goods during this year alone. Now, railroad labor is seeking further hikes in wages. Mr. John L. Lewis rides herd on all miners. He has a propensity for calling strikes in times of emergency, and has increased the wages of miners time and time again, resulting in ever-increasing costs of coal until this procedure has become an old story.

Mr. Speaker, will these abuses end in a national graveyard? While trying to fight evils abroad, are we to be destroyed by evils we have neglected to fight at home? Perhaps we would be wise to suspend action on the Marshall plan for a few days and give our attentions to Mr. Lewis.

EXTENSION OF REMARKS

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include several clippings from the Baltimore News-Post.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD in two instances and include in each extraneous matter.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

UNITED STATES COAST GUARD

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, we all admire the work of the United States Coast Guard. Every day we either read in the newspapers or hear over the radio the story of some brave rescue. I would like to report to my colleagues in Congress on some of the most recent and outstanding cases, which indicate the service that the Coast Guard renders to virtually every part of the United States and also to Alaska.

I will mention only in passing briefly the gallant rescue of the passengers and plane crew members of the flying boat *Bermuda Sky Queen* by the Coast Guard cutter *Bibb* in mid-Atlantic. On patrol day in and day out, Coast Guard cutters perform the arduous duties of ocean station patrol, assisting the Weather Bureau to gather weather information used by transoceanic aircraft and ships in both the Atlantic and Pacific. For those cutters, rescue is an important auxiliary duty.

Shortly after the *Bermuda Sky Queen* rescue, the *Bibb* was lending assistance to the coast of Maine during the forest fire of last fall. Rescue work done during the time that these weather ships are not on station is typical of them all.

The New England coast is an area of much shipping activity, and is well served by the Coast Guard. A recent case of assistance is the rescue of all the crew of the fishing vessel *Cape Ann*, grounded on Nausett Beach, Mass. With the Coast Guard cutter *General Greene* standing by to help offshore, the crew of the Nausett Life Boat Station brought the *Cape Ann's* crew ashore by breeches buoy, thus adding another rescue to the long list of Coast Guard rescues along the rugged New England coast.

At Morehead City, N. C., Coast Guard men also completed recently the rescue of all the crew of the grounded tanker steamship *Norfolk*.

In this record-breaking cold winter of 1947 and 1948 the northeast portion of the United States relied on the Coast Guard for the continuance of navigation in its ice-bound harbors. Coast Guard ice breakers along the New England coast, on the Connecticut River, on the Hudson, the Delaware, and on Chesapeake Bay, including the Potomac, opened channels to shipping, thus insuring delivery of oil and other heavy goods.

The Coast Guard is active also in the Mississippi River Valley and on the Gulf coast. When the transport *William H. Thomas* went aground in the lower passes of the Mississippi, all passengers were evacuated by the Coast Guard from the grounded ship and were brought safely into Venice, La.

When another steamer, the steamship *Virginia*, grounded also in the lower reaches of the Mississippi the Coast Guard stood by for potential assistance, but in keeping with its policy did not interfere with commercial salvage operations.

Coast Guard headquarters in St. Louis at the present moment is alerted for flood relief. In cooperation with the Army engineers and other organizations active along the Mississippi, the Coast Guard has its plan ready for activation in the event of floods.

On the west coast the Coast Guard provides daily service to the numerous fishing craft and pleasure boats, rescuing stranded fishermen and towing disabled vessels into port. Generally the Pacific is calmer than the Atlantic, and the larger vessels need assistance less frequently than on the east coast. When an American tanker, the steamship *Sparrows Point*, collided with the Canadian steamship *Manx Fisher* last fall the Coast Guard cutter *Minnetonka* and the Monterey Lifeboat Station cooperated in picking up 22 of the 38-man crew of the burning tanker. The Coast Guard helped also in extinguishing the blaze.

Thirty-four icebound vessels in Buffalo Harbor on Lake Erie are being freed from the ice by the Coast Guard's mammoth ice breaker, the *Mackinaw*. It is of interest that the value of ships and cargo assisted by the Coast Guard in similar operations on the Great Lakes last year amounted to approximately $700,000,000.

In Alaska the Coast Guard tender *Clover* sent a boat ashore through raging surf to save all passengers and crew of the shipwrecked *Spencer*, a cannery vessel. At the same time the Coast Guard cooperated with the Navy, who sent a rescue tug to the scene.

Thus far, I have mentioned particular instances. I would like to point out that these particular instances could have been brought out only by continuing daily readiness on the part of the Coast Guard.

In the North Atlantic the international ice patrol has commenced again for the 1948 season. During all the years since 1914, interrupted only in wartime, the Coast Guard has conducted this annual patrol, and in that time there has been no loss of life through iceberg collision.

The more than 36,000 aids to navigation that the Coast Guard maintains in inland waters and on the Great Lakes, in addition to our coastal navigable waters, are in operation throughout the year and are doubtless responsible for preventing many accidents.

Present-day search and rescue facilities, coordinated by the Coast Guard, cover our inland waters and both oceans. These facilities are well handled by the Coast Guard.

Merchant-marine inspection functions are another daily service that provide for the safe operation of our merchant fleet.

I submit that the Coast Guard provides great service to the majority of the 48 States and that the above instances are good evidence of that fact.

THE MARSHALL PLAN

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, in the Appendix of the RECORD, at page A1224, appears a very illuminating article on the Marshall plan written by Henry Taylor. I think if you will take the time to read that it will be a little more difficult for you to vote for the plan.

I notice a map has been placed here in the well of the House, probably by members of the committee. If you will look at that map, you will notice that at Potsdam and Yalta most of Germany was given away, and that Russia has been put in the driver's seat by the mistakes of the past administration and mistakes of the State Department, which now asks us to go for this $20,000,000,000 Marshall plan. The horse has already been stolen from the barn. This Congress, in my judgment, Democrats and Republicans alike, but particularly Republicans, has missed the opportunity of its lifetime to protect the American people by putting the brakes on passing this bill calling for the expenditure of an enormous amount of money at the expense of the taxpayers.

I am willing to vote for a reasonable amount of aid to certain countries who need it, but I am opposed to taking in several nations who did not enter the war and who benefited by the war. The amount is for too much and it should be limited to 1 year and then assess the results.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further 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.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present. If the House took a secret vote on this measure, they would kill it as dead as heck, and you all know it. This is one of the most dangerous steps Congress has ever taken, and the Members should be here to hear the arguments on it.

The SPEAKER. The Chair will count. [After counting.] Sixty-eight Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Andresen, August H.	Buckley	Clark
Andrews, Ala.	Busbey	Cravens
Bates, Ky.	Camp	Dawson, Ill.
Bell	Carroll	Delaney
Boykin	Celler	Dingell
	Chelf	Douglas
Gathings	Ludlow	Sadowski
Grant, Ala.	Manasco	St. George
Hall, Leonard W.	Mason	Sikes
Harless, Ariz.	Mitchell	Simpson, Pa.
Hart	Morrison	Smith, Maine
Hendricks	Nixon	Smith, Ohio
Jarman	Norrell	Somers
Jenkins, Ohio	Passman	Stanley
Jones, Wash.	Patterson	Taylor
Kennedy	Rains	Thomas, N. J.
Klein	Reed, Ill.	Wadsworth
Lesinski	Rockwell	Worley
	Rooney	Zimmerman

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to include in the remarks he expects to make in the Committee of the Whole certain excerpts.

Mr. COX asked and was given permission to extend his remarks in the RECORD and include an article recently appearing in Plain Talk.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article by Mrs. Roosevelt.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include a statement on the preparedness day program of the AMVETS.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Taylor and two editorials.

Mr. PRICE of Florida asked and was given permission to extend his remarks in the RECORD.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances and to include in one an editorial.

Mr. SMITH of Wisconsin asked and was given permission to include in the remarks he expects to make in the Committee of the Whole today certain extraneous material.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks on the subject, Punitive Excise Tax on Furs Should Be Repealed.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times on multiple sclerosis, a disease which is twice as prevalent as infantile paralysis.

SPAIN

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the O'Konski amendment.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the glaring weakness of this bill is the exclusion of Spain and every honest mind in this body knows that that is so, and that leaving her out is a further concession to the people most responsible for the terrible trouble in which we find ourselves.

I can understand that the committee sponsoring this bill, guided to some degree by the State Department, might have questioned the advisability of putting Spain in the bill since she was not a party to the Paris Conference, but this is the money of the people of the United States that we are giving away or investing in national security. If the stopping of Russia is the objective of the bill, as all advocates of the measure so vehemently declare, then to leave out Spain is to impeach our good faith.

This is no time for the appeasement of our domestic Marxists, but a time of world crisis when our country needs honest and courageous treatment on the part of their National Congress of all public measures. Spain wants nothing of us but our friendship. She begs to play her role as a friendly nation in the endeavor to win a universal peace. Why not take her hand which she extends in friendship and labor with her upon a basis of mutual confidence and respect in the endeavor to bring to pass the objectives we seek.

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the further 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.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, March 29, there was pending the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

Without objection, the Clerk will again report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI: On page 50, line 16, after "including", insert "Spain" and a comma.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on the pending amendment and all amendments thereto close in 5 minutes, the last 2 minutes to be reserved for the committee.

Mr. VURSELL. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, I move that debate on the pending amendment and all amendments thereto close in 5 minutes, the last 2 minutes to be reserved for the committee.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, it seems to me that the membership of the House in agreeing to limit debate on this particular point to 5 minutes is taking a position which is a momentous one and which we will regret in the days to come. I understand that the membership of the committee, at least a majority of the membership of the committee, have agreed to accept the inclusion of Spain with the 16 nations to be helped under this plan. It might be well to recall the part which Spain played in the starting of fascistic aggression throughout the world. We know that a constitutional government was elected in Spain in 1936 by a coalition of 85 Socialists, 75 Republicans, 32 Republican Union, 22 Catalonian Esquirra, 14 Communists, making a total of 226 delegates. The center group had 55 and the group to the extreme right had 143 delegates. Notwithstanding the fact that a clear majority government was established—a constitutional government—by the coalition of the nonrightist groups, we saw the overturn of the Spanish Government by an armed minority group led by General Franco. In July of 1936 a rebellion occurred, and after the fighting the Fascist government of General Franco was established. During the time preceeding the 1936 rebellion and subsequent thereto General Franco and his aides conspired continuously with Mussolini and Hitler. It was over the Spanish territory that the dive bombers of Count Ciano of Italy and the Wermacht of Germany had their training for the war against the democracies. It was in Spain that the espionage agents of the Axis had their clearing house for security information which caused the death of many American boys.

The United Nations has refused to accept Spain into the family of nations and has recommended that all member nations break off diplomatic relations with Spain. Our own State Department has refused to send an ambassador to Spain.

Why have these actions been taken? Primarily, because the fascistic leaders of Spain have refused to institute democratic principles of government for the people of Spain. The people of Spain are held in iron control by as ruthless a group of leaders as those who were in charge of Germany, Italy, and Russia. Civil liberties and political rights are withheld from the people of Spain. They will continue to be withheld until the Franco government falls.

I realize the great pressure which is being used to whitewash the present Spanish Government. The record has been written, however, and whitewash will not cover either fascistic or communistic sins.

I realize that the present amendment is permissive only, and that Spain must clear some hurdles before she can participate in the European recovery program funds:

First. The 16 nations must accept her into the western European group on the basis of their article of mutual economic and political assistance.

Second. Spain must establish her internal need for aid, with the United States Administrator, and her willingness to comply with the 16-nation economic program. Spain cannot do this under present conditions—nondiplomatic recognition.

If our State Department remains firm, it is possible that good may come of this, but I am afraid that our move is unwise and premature. I am afraid that Spanish democratic concessions will not be demanded as a "quid pro quo" for such assistance as may be granted.

For the present, I must oppose and vote against this amendment as a matter of principle. I submit herewith nine arguments against the inclusion of the present Franco government of Spain into the European recovery program. My opposition is not against the people of Spain, nor against a democratically established Government of Spain. My reasons for opposing this amendment are as follows:

First. Spain was a partner of the Axis all through the Second World War, although she did not engage in the fighting.

Second. The present Government of Spain is hostile to democracy and does not recognize our political principle of government with the consent of the governed.

Third. The Franco regime stands for retention of old privileges and the status quo of the army, the large industrialists, and the aristocracy.

Fourth. The United Nations has on a number of occasions expressed its opposition to the Spanish Government and has adopted a resolution recommending the breaking off of diplomatic relations between members of the United Nations and Spain.

Fifth. The present Government of Spain is a threat to peace in that it is a major stronghold of fascism.

Sixth. Spain is a potential threat to peace. Her aims and objectives have been clearly defined by her past actions, particularly her close cooperation with Mussolini and Hitler.

Seventh. The expansionist program of Hispanidad follows the familiar fascist pattern and can only lead to conflict and strife.

Eighth. The European recovery program is designed to rebuild Europe which was destroyed or seriously damaged by the Second World War. Spain did not participate in the Second World War and suffered no essential damage from that conflict. She therefore cannot claim any advantages under this program.

Ninth. Spain did not participate in the deliberations of the committee on European Economic Cooperation, and the plans as drawn up by the 16 nations did not visualize Spanish participation.

In conclusion, I cannot forget the fascistic speeches made upon many occasions by General Franco. I cannot forget the enoblement of war, which is a basic tenet of nazism and fascism. I cannot forget the million lives sacrificed in Spain to establish the present totalitarian regime, nor can I forget that Franco once said:

Life means fighting; nations reach their historic climax in fighting; if they rest on their laurels they are overrun.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. VORYS. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I rise in respect to this amendment much more in sadness than in the heat of contention. I think we are making a grave mistake. The committee proposes to accept this amendment, though it is a gratuitous mention of Spain. For by the section of the bill under consideration, section 103 (a), "any other country * * * wholly or partly in Europe" provided it adheres to and so long as it adheres to the European recovery program, may be a participating country.

I think the adoption of this amendment is a grave mistake, for three reasons:

First. We have no ambassador in Spain. We have there only a chargé d'affaires. We have no ambassador in Madrid, as we are complying with a resolution of the UN General Assembly, adopted February 9, 1946, recommending to the members of the UN the withdrawal of their ambassadors from Spain.

Second. The 16 European nations whom we are seeking to aid in this program did not invite Spain to participate in their deliberations. Hence, we are making a mockery of self-help and mutual cooperation by inviting a nation they did not invite.

Finally, we show a very deep lack of understanding of the friends of democracy in France and Italy, who will have hurled against them now by every Communist agitator, the charge that we are allying ourselves with a dictatorship in Spain. For Europeans have long memories, they remember that Spain was considered a nonfighting partner of the Axis throughout the war, and that blitzkrieg was first tried out by Hitler and Mussolini in Spain in aid of the present government.

Hence, I say it is much more in sadness than in controversy that I speak against this amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VORYS. Mr. Chairman, the committee has decided not to object to this amendment. It may not be the happiest way to handle the matter, but on page 11 of the committee report we mention, "the possible desirability of readmitting Spain to the family of western nations"; and we say that "that possibility seems to be growing among the countries of western Europe and is certainly manifesting itself in opinion in the United States."

Furthermore, the amendment as proposed leaves in this qualifying language, found on page 50, line 22 "provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title."

Therefore, the insertion of this language still leaves it to the joint action of the European nations to provide for the adherence of Spain.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. Will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. BLOOM. Does the gentleman think this is the right way and the fair way and the just way to do this, to limit debate on this important question to 5 minutes? I do not.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JENNINGS. I just want to say that the position which the gentleman from Ohio has just taken is one of the wisest statements I have heard in this entire debate. We ought to go with him.

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

The question was taken; and on a division (demanded by Mr. MARCANTONIO), there were—ayes 149, noes 52.

Mr. MARCANTONIO. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. HAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAND: On page 50, line 16, strike out subsection (2) beginning at line 16 on page 50, and ending at line 15 on page 51.

Mr. HAND. Mr. Chairman——

Mr. VORYS. Mr. Chairman, will the gentleman yield for a consent request?

Mr. HAND. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAND. Mr. Chairman, I feel very strongly that instead of adding countries to this already overburdened plan, countries, for example, which are now in the plan like Portugal, Iceland, Sweden, and Switzerland, which I think have very little place in it; instead of adding adidtional countries, we ought to make sure that no more countries are in this plan than those which have already signed the participating agreement. The purpose of this amendment therefore is to strike out all of subsection (2).

As the bill now reads this plan not only covers those countries which have already signed the report of the Committee on European Economic Cooperation, but also includes this very broad language:

And any other country including any of the zones of occupation, and so forth, provided such country adheres to and for so long as it remains an adherent to a joint program.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. JAVITS. Is it not a fact, then, that Spain could be included under that language even without any amendment?

Mr. HAND. That is the fact.

Mr. JAVITS. This amendment then is unnecessary.

Mr. HAND. That, of course, is the fact; and it is a fact that any other country in the world, including Russia, could likewise be included under the language of this bill, provided, of course, they adhered to the general scheme which is set out in paragraph 2. That is not a mistake, that is a deliberate design of this legislation. The President came before us the other day and said, and emphasized it very carefully (and perhaps this is the right view, but it is not my view) that he desired to leave the door open. I think he repeated that for emphasis, to leave the door open to any country. My desire, Mr. Chairman, is to close that door.

I have very great doubt that the exporting of goods or money will prevent any country from going Communist. We tried that experiment by pouring $300,000,000 into Czechoslovakia and in 48 hours Czechoslovakia was taken over by some native Communists. I know, and I think we all know, that there is not 1 person in 10 in this country and there is not 1 person in 10 in this House who would think of voting for this very drastic piece of legislation, except it is called an anticommunistic measure. Therefore I think this door ought to be closed, that this plan, drastic and generous and expensive as it is, ought to certainly be limited by the Congress to those countries which are already in this participating agreement, the non-Communist countries, and not leave the door wide open to any other country that the Administrator may later see fit to admit.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Minnesota.

Mr. O'HARA. I agree with the gentleman and I am going to vote against this bill because I think in the ordinary course of trade these things we send over there are going into the satellite countries and eventually into Russia.

Mr. HAND. That has happened before and I agree it will happen again in all probability, but, at least, it seems to me reasonable to strike out all of subsection (2) of this section so that we are sure we are not dealing with any more countries than those that have already signed the agreement. I think the amendment is a rather serious one. If you strike out subsection (2) it will somewhat improve this bill, which is a dangerous experiment in any event.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from West Virginia.

Mr. KEE. Has the gentleman considered the fact his amendment will cut out the amendment which has just been adopted to bring Spain in?

Mr. HAND. I am not sure that is so. In any event, I voted against that amendment and I would be very glad to have Spain cut out. I despise fascism as much as I hate communism. I am certainly opposed to helping either.

Mr. KEE. I would, too.

Mr. VORYS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the gentleman from New Jersey is absolutely correct in saying this is a very serious amendment. It would make a permanently exclusive club of the 16 nations that signed the

report at Paris. It would eliminate western Germany, although our policy is to attempt to reincorporate western Germany into the economy and policies of western Europe. It would cut out the possibility of bringing back some of the satellite countries, if they finally became in a position to adhere to a joint program for European recovery. It would cut out Trieste, although the latter part of the language stricken out makes provision that Trieste may continue to exist during the next year. It is most important that the offer that has been made of returning Trieste to Italy be implemented by the language in the latter part of the section which is stricken out.

Mr. Chairman, since this is a very serious amendment which would strike out the heart of the original Marshall proposal that recovery shall not be an exclusive matter for a favored group but that our purpose is to stimulate recovery of western Europe and world recovery, for these reasons I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HAND].

The amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no thoughtful person can be blind to the dangers and gravities of the international situation today. Some time ago I came across a communication addressed to the New York Herald, now the New York Herald Tribune, 100 years ago by Karl Marx, the founder of communism. I quote:

> The conflict between Russian despotism and western democracy seems to be everlasting in the Balkans. Those who are working for the survival of democracy in Europe must introduce European arts, sciences, justice, liberty, and the spirit of independence into the Balkans.

A little later he wrote:

> From time to time Russia pretends that it has no evil intentions against this or that nation, but merely wishes to protect it. Humanity should be on its guard against claims of protection on the part of Russia. Did they not claim to be protectors of Poland at one time?

There is irony in the fact that today those who condemned the militarism of Czarist Russia 100 years ago, while advocating the very communism that the Czar opposed, are now supporting the Czarist militarism. Whatever else may be said, the conflict today, as history repeats itself, is a conflict of the struggle 100 years ago when Czarist Russia was exercising despotism under the guise of protection.

The bill under consideration is fundamentally for the security of the United States and for the promotion of world peace.

No people or no nation is ever the same after a great war. The price of peace is high, but the price of war is higher.

Some Members have spoken of the elections shortly to be held in Italy. Those elections, in my humble judgment, will be materially determined by conditions in Italy. Aid by the United States will greatly help. I wish that the United States would unselfishly plan for the rehabilitation of the downtrodden of Europe and China in order that the peoples of the countries that we propose to help, in response to their requests, might more readily and effectively aid in rehabilitating their own countries. I wish that the selfish idle rich, whether in Italy or in Greece, would cooperate unselfishly with the suffering peoples in those countries, without homes or farms, whom we propose to aid.

In my thought what we need in the world today is not only a Marshall plan for recovery in Europe and China, but a spiritual plan. What we need today is to demonstrate to the nations of the world that the best aid we can render them is to demonstrate anew that democracy is functioning in this country of ours, with freedom to work, with freedom to speak, and with freedom to worship. There is nothing new in the despotism of Russia, for the despotism of Stalin is the despotism of the Czar.

Karl Marx charged Czarist Russia with the absorption of the Balkan States to promote imperialism. Today the democracies of western Europe charge the Russia of Stalin with infiltration under the guise of protection to promote the reign and rule of communism. Soviet Russia is today practicing the same despotism that was practiced by Russia a hundred years ago. While the contest between the statism of Russia and the freedom of America is a struggle for the control of the minds and bodies of men, while the contest should be confined to the appeals to the mind, nevertheless resorting to force will follow inevitably without world peace, for dictators are never satisfied short of war.

Russia knows no language but force. The United States has done its best to get along with Russia. We are not forcing a program upon Europe or China. General Marshall, in his Harvard speech, properly stated that if the European countries demonstrated that they were willing to help themselves and rehabilitate their own countries as far as they could, upon their request the United States would aid as far as our resources would permit. In opposing rehabilitation in Europe and in China, Russia is running true to form. Communism thrives on suffering and hunger. Behind the cloak of her opposition, under the guise of protecting, Russia stands revealed as she is, with the policy to rule or ruin. Ungrateful and double-crossing, the Soviet policy of imperialism is crystal clear.

The best way to promote peace is for the United States to be prepared for war, and the best insurance against attack is for the western democracies of Europe to be rehabilitated. For selfish reasons the United States is interested in a peaceful Europe and a peaceful China.

Criticism has been made of the Department of State. The program of the State Department and its administration by the Army in occupied Germany should certainly be reexamined and improved. Only those who work should be fed.

In the administration of the program, none but Americans should be in charge. We must practice in the program the freedom that we enjoy at home. We must be zealous and militant in promoting the American ideal.

Wars bring problems to the victor and to the vanquished. We must rehabilitate America as we rehabilitate Europe and China. Only a strong America can promote world peace.

There are those who criticize the enormous costs of the program. They point to domestic needs and domestic problems. It is time to think things through. Many who advocate unsound authorizations and appropriations, regardless of their merits, illogically state that we are discriminating between those in need abroad and our own citizens. I am for building America. I am for all proposals standing on their merits. But I am always critical of those who resort to the false argument that we are helping others while denying ourselves as we make provision for European and Chinese recovery. Substantially every dollar to be appropriated under the proposals will be expended in the United States. Outlets for our surplus crops and products will be provided. Agriculture, manufacturing, business, commerce, and the general welfare of the United States will be promoted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. VORYS. Reserving the right to object, Mr. Chairman, and I shall not object in this instance, we have already heard from 97 Members in the past week, and the committee has asked me to object from now on to any extensions beyond the 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. There is nothing new in the Soviet doctrine of statism. It is as old as the pyramids. Joseph fed the Egyptians in the days of the famine, but the peoples of the Pharaoh lost their land. The state could only feed if it owned the land.

This bill represents the consensus of bipartisan opinion in the United States. I know it involves risk. It involves calculated risks. I should like to see the bill before us in the form it was considered by the other body. It is well enough for us to keep in mind that on foreign policy our partisan differences stop at the water's edge. It is now time for unity and for cooperation.

If this proposed program is rejected, it will be misunderstood throughout the world. We are either for this program with its calculated risks, with the possibility that it may not succeed, or we are against it. Nothing as good or better has been proposed.

For my part, Mr. Chairman, I am ready to stand up and be counted. In the contest between Russia and America, I am for America. I believe that the State Department, that the armed forces in Germany, China, and Japan, that Americans in the diplomatic service, that the true and tried Americans who are to administer the program should be zealous and militant; champions of the American way of life, and always be prepared to

maintain and to demonstrate that the free-enterprise system of the United States is the best form of government ever devised for the benefit and welfare of the common man everywhere.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this section do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I have listened carefully to the remarks of the gentleman from Mississippi [Mr. WHITTINGTON] and find myself agreeing very generally with him. It seems to me that during the dozen years that I have been a Member of Congress, this body has been required to act on the most momentous measures and has had to make the most critical decisions confronting the American Congress during the entire period of its existence. What is so terribly distressing to me about many of these decisions is my utter inability to see clearly their far-reaching effects and my great difficulty to distinguish right from wrong in regard to the best steps to be taken. Now I regard each vote today, especially the final vote on this measure, as meaningful as any of a half dozen of the most significant and momentous of my legislative career.

What is most distressing in this case, as so frequently happens, is that my mind is made up as to what is theoretically best and wisest for America to do in general in this great relief work, but that decision is modified by many if's, and's, and conditions. Now, any one of these conditions may, and probably ought to, reverse my stand on the general proposition. My mind is clear that America ought to act her age, and play her part, and give aid to this war-torn world, both as a basis for peace and in our own self-interest. This is a fateful hour for America in world history. Reasoning thus, it would appear to be simple that I should vote in favor of this European recovery plan, but it is far from simple when all the conditions are considered. My approval of the theoretical proposition of recovery aid is based on these historic facts—that America has a rendezvous with destiny, and also that by all the characteristics of our Nation and the policies of our Government, we earnestly desire to work for peace, and we want to join therein with other nations of like-minded peoples. Furthermore, we have been conditioned as a people to be effective as a leader of nations in that direction of peaceful cooperation. I am harassed with fears and doubts as I cast my vote on this proposition. What are those doubts?

I do not doubt that America is really financially able to give all necessary aid in the Marshall plan, which is, after all, a plan of rehabilitation which will enable worthy nations to help themselves. I believe America can do it and that we have the economic strength to do it effectively, but I have my doubt whether we are at this moment pursuing a financial plan and a fiscal policy that will enable America to do for other nations what she ought to do. By that I mean that having reduced our Government's revenues by a tax-reduction bill which will soon become law, we shall not have the wherewithal to defend ourselves adequately and at the same time carry out this recovery program. In that case we must borrow the funds and we must resort again to red-ink bookkeeping and deficit spending.

Of course, I approve of a parent who has no money in a bank borrowing money to have a necessary surgical operation which will save the life of a member of that family. I do know that for the family to have to borrow the money works against the chances of a successful recovery. For our Government to have to borrow money and further strain the credit of the Nation in this program, is going about relief work the hard way with the chances against the highest degree of success.

Now, there are even greater fears disturbing me. I know how some of my colleagues have expressed the feeling amounting to a fear that if we pour all these billions into Europe, we will waste it, or worse than waste it, in feeding the devouring flame of communism against which we fight. Yes, I recognize that possibility and have that fear, too. On the other hand, I have a fear that those who administer this relief program, if not pro-Communist, may lean toward fascism, and may rehabilitate the economies of certain nations of Europe in such a way as deliberately to increase America's business interest and the profit of America's business, and without gaining the coveted good will of the European peoples. Both of these extremes are possibilities.

Mutual trade is good, but we can as easily gain European ill will as we could lose our wealth to Communists. I cannot forget that when my family was growing up in poverty during the twenties, after the First World War, that America at that time poured hundreds of millions into Europe, much of it as a business venture and investment. That wealth was worse than wasted, for it helped to rearm our earlier foe. We have paid a terrible price in blood for such management. Are we going to repeat that performance?

Therefore, I have thought we ought to vote this relief program and administer it as a great-hearted nation wants it administered, with a minimum of selfishness, and not as a rich prize to be grasped by communism, nor as a business investment for selfish exploitation of Europeans for American profits. Either of these extremes would thwart the American wish and make our generosity worse than a waste of our economic strength. I believe it is physically possible for America to do this greatest act in a thousand years. I doubt whether America has the political and spiritual leadership in sight to carry it through. This measure in its beginning was a magnificent conception. It may by amendments be made worse than useless.

The Clerk read as follows:

ESTABLISHMENT OF ECONOMIC COOPERATION ADMINISTRATION

SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed 30 days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such 30-day period, the authority conferred upon the President by this subsection shall be extended beyond such 30-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

(2) If a corporation is created under this section—

(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such act.

(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed 60, may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than 10 may be compensated at a rate in excess of $10,000 per annum, but not in excess of $15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses while so employed.

(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

Mr. COUDERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one would vote with greater assurance for this measure if one's confidence had not been so completely shaken by the devious and tortuous methods of an administration which seems to be congenitally incapable of either clear thinking or telling the truth. Let me recall a little recent history. When this program was originally proposed and while still before the other body, it was represented as a bulwark against the onrushing tide of communism, an instrument of peace and an alternative to substantial increases in the armed forces. On January 15, this headline appeared in the New York Times, "Choice Is Aid Plan or Larger Army, Testifies Royall." Just listen to this for a moment and I will tell you from whom it comes:

It seems to me a simple statement of reality in discussing whether or not there is to be another war, that the success of this plan very effectively retards the probability of world war III because it builds into effective reality that element which is so essential, namely the resurgent stability of those nations which with us represent western civilization. I think that does discount the prospect of war if the plan is successful.

That is why I, among others, made up my mind to support this bill. Now let us go on in this same quote:

When the Secretary of National Defense and the Secretary of the Army come before our committee and frankly say that in the absence of some such plan as this, they would feel it necessary immediately to seek heavily increased appropriations for the national defense—

And so forth. That same gentleman made a further comment of the same sort. He said that—

This plan is equivalent literally to armies in its value by way of national security.

The speaker of those words, Mr. Chairman, was none other than the distinguished Senator from Michigan who is one of the principal architects of this bill. So can we be surprised that the people back home as well as we view with amazement the sudden change of position of this administration, demonstrated before the appropriate committees of Congress before the ink was dry on the Senate version of this bill by demands for those very military preparations envisaging early war for which this bill was represented to be the alternative? Universal draft, UMT, substantial increase in armed personnel to nearly 2,000,000 regular soldiers, sailors, and airmen, $4,000,000,000 for other defense proposals and probably also a lease-lend for military aid to the beneficiaries of this bill.

What has happened in the interval? Why this sudden change? Has the administration determined upon waging a preventive war at the earliest possible moment? Or has it just blundered again or has it simply followed its usual course of misrepresentation, deceit, and concealment? I do not believe for a moment that our Committee on Foreign Affairs and the Foreign Relations Committee of the other body were advised of these proposals for immediate mobilization of the armed forces, for turning America into an armed camp. I do not say that these may not be necessary, but I do say that the tactics of the administration have deprived this Congress and the American people of any freedom of choice, because it has not told them the whole truth and nothing but the truth. It has not told them the whole story, and in concealing that other side of the picture which is now being exposed in the other body they have made a mockery of the representative system. They have given us no opportunity to view the whole picture globally. We are compelled to vote on one measure at a time, without being able to consider its relationship to the entire situation. While I expect to vote for the bill in the rather slender hope that the administration's original representations are more nearly true than its present attitude, I cannot do so without protesting the tactics of the administration in its approach to these grave questions. If all the facts had been put before the Foreign Affairs Committee, a very different bill might now be before the House.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman from Ohio.

Mr. VORYS. The House Committee on Foreign Affairs attempted to embark upon a global approach to this whole matter when they met on January 8. In attempting to arrive at some sort of world-wide, long-range policy we have constantly had trouble with the proposed piecemeal stopgap approach of the administration, and that trouble has continued right up to the present. Remember this so-called package bill is an attempt to put together and integrate the piecemeal policies we are pursuing. In that objective we have been unable to obtain cooperation from the administration.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, my colleague the gentleman from Georgia [Mr. COX] yesterday rendered signal service to this body by calling attention to a number of people who are likely to be employees of the organization to administer or distribute this aid which we now have under consideration, among them being one David Lasser. My colleague the gentleman from Georgia [Mr. PACE] also rendered service to this body by preparing an amendment to correct a loophole in this legislation now under consideration, to prevent people of that kind from having a part in the administration of this fund.

It is a remarkable thing that as fast as subversives, pinks, and those who slant toward socialistic experiments, are removed from the pay roll in one department of the Government, they turn up a week or so later in some other department on the pay roll.

There was a Mr. William Benton who was making a laughingstock of this country all over the world by sending out pictures of circus women and various other monstrosities, on the theory that that represented the culture and voice of America. These people in the Voice of America Division seem to have a circus complex. The gentleman from Pennsylvania [Mr. RICH] introduced into the RECORD several days ago another circustent monstrosity. Although Mr. William Benton was turned out of that department, yet through the sympathetic tenderness of those who are in power, he has now been kicked upstairs to a place on another pay roll. David Lasser was removed from the pay roll several years ago. We find him on again in the Department of Commerce.

Now, if you have read the hearings for the Department of State before the Subcommittee on Appropriations, which held hearings on that bill on January 28, you know that beginning on page 173 and extending for some 10 or 15 pages there is set out, one after another, a number of people now on the pay roll of the State Department who are not, under any view of the situation, entitled to be on the pay roll of the United States. I want to call your attention to just one of them. Of course, in the 5 minutes to which Members are limited to gallop along in this debate you cannot deal with much, but on page 174 of those hearings there is one of them. These are people upon whom reports have been made by the FBI, and it shows how futile and hopeless it is to depend on the mere report of the FBI to keep these people off the pay roll.

On page 174, one of those people is reported in this FBI report in these words:

A coworker at the War Foods Administration in a report dated September 3, 1947, expressed reservations concerning his loyalty. The report reads, "He further stated that the applicant admitted his loyalty to the Government had been questioned on two occasions when he was asked about articles on Russia and the Communist activities of his father. It was alleged by the applicant that he was mistaken for his father who has the same name, and who is known to have attended some Communist meetings." The applicant traveled to Russia in 1936.

Now, there are some 14 people dealt with in those hearings whose loyalty was questioned by the FBI. That questioning of their loyalty did not have any effect whatever in keeping them off the pay roll. The State Department will be a great factor in determining who will be the employees to administer this program, and as we proceed we ought to protest against those kinds of people having anything to do with the administration of this fund.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. DAVIS] has expired.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall support this measure because I believe that its objectives, as stated in its caption, are good and sufficient reasons for my doing so.

The cost of the undertaking is urged as a reason for being against it. When the last world war closed it was costing this Nation half a billion dollars per day to fight that war. The money proposed to be expended during the first year of this plan would pay for another world war at that rate for only 13 days.

Then it is said that we first ought to deal with the Communists here at home before we undertake to deal with them abroad. The Communists here at home are raucous and we are plagued and disgusted day after day by their shrill, discordant, and disloyal cries and subversive activities. Precautions are taken against them by providing that all employees of the Administrator shall be investigated by the FBI. We will deal with them in due time. The Communists here at home, however, do not have the power to overthrow, subjugate, and enslave nations. They do not have the power to wage global war. They do not have power to bring enemy submarines within gunshot of our great cities.

And then it is said we ought to get out of Europe. Mr. Chairman, we are in Europe and there is no way to get out except by turning tail, running, and by scuttling all that we have accomplished there and give Russia an absolutely free hand from now on. So that is impossible. Such an abject, senseless retreat and surrender would invite and make certain a world-wide attack by Russia on all fronts.

It is said that this money will be squandered. We have set up a separate agency to carry out the program that in my opinion will prevent the squandering of this money.

What is the evidence we have before us upon which to act? More than a hundred able Members of this House with Members of the Senate visited and closely examined conditions in all these foreign countries that are now banded together in support of liberty and Christian civilization and in oppositon to a ruthless power that would enslave and communize the world. We have the testimony of those Members of Congress. We also have the testimony of the men charged with national defense. They each and all testify that the adoption of this plan and the strengthening of our armed forces are absolutely required to safeguard our national security.

We have the attitude of each and every Republican candidate for the nomination of our party for the Presidency. Each and every one of them has taken his stand in favor of this measure. I believe the majority of the people are coming to see that it is absolutely necessary to preserve the peace, and to stop Russian aggression. Herbert Hoover, the only living ex-President, supports it. The Republican leadership of the House and Senate are supporting the measure.

Then we have the logic of events, the unanswerable evidence of accomplished facts. We have seen Poland fall, and everybody knows that country and her people desire to be free. We have seen Russia extend her sway over all the Balkans, into Hungary, into Austria, and Russian might is now in Berlin in possession of the German submarine pens. We have seen Russia reach out across Asia and take over Outer Mongolia, Manchuria, Port Arthur, Dairen, and the strategic islands that dominate Japan.

Shortly before he died, I asked Admiral Mitscher, in my opinion one of the ablest fighting men who participated in the late war, this question: "Admiral, assume that Russia has set out to dominate and communize the world, what would it mean to our country if Russia would extend her military control over the continents of Europe, Asia, and Africa, and became the master of the 2,000,000,000 people of those three continents and the islands of the sea with all of the strategic, indispensable, war-making materials of those continents; what would it mean to our people?"

He replied: "That would present a situation too horrible to contemplate. They do not care for human life, they are ruthless, fanatical, and determined on world domination and world-wide communism."

Russia's persistent aggression since the surrender of Germany and Japan is a threat to the territorial integrity, the sovereign existence, the liberty and the religious freedom of our country and every other free nation on earth. Her ruthless advance has blacked out freedom in every country behind the iron curtain and casts an ever-darkening shadow over western Europe, Asia, and the Western Hemisphere. Her continued subjugation of free peoples may bring back the dark ages. If she succeeds in subjugating all of Europe, Asia, and Africa, and ultimately Japan, Australia, and the islands of the sea, mankind for centuries would bow beneath the hammer, the sickle, and the sword.

Once the iron, the manganese, the chrome, the oil, the copper, the lead, the tin, and the rubber and other strategic materials without which modern warfare cannot be waged, are made inaccessible to our country, a time may well come when we will be powerless to defend ourselves against the despotism that controls these 2,000,000,000 people and all these natural resources.

The free nations of Europe who are being threatened by Russia have united in a common purpose to remain free. This is the most heartening news that has come out of Europe since the surrender of Germany. I believe that we are now witnessing one of those crucial periods in human affairs when it is absolutely necessary that this Nation take a stand in the strife of truth with falsehood for liberty, for peace and for righteousness. There are times when, as it were, freedom, civilization, and Christianity descend from the skies and marshal nations as their champions.

The central thought in our Declaration of Independence is that we are a people whose God is the Lord. And our institutions stem from our belief in the dignity of man, the inviolability and sanctity of the human personality. Freedom is our most precious possession.

Any act of aggression against, any subjugation of any free people anywhere in the world that dims or blows out the moral and spiritual lights around us, is a direct attack upon the happiness and lives and the liberties of our people.

To understand the danger that threatens freedom in the world we must know and understand not only the physical strength made possible by the vast territory, the teeming millions, and the government of the Soviet Republics, but we must also know and understand the Communist organization which controls the Russian Nation. With the men who control Russia communism is the creed to which they are fanatically devoted. With them the state is an instrument for the spread of their hateful ideology.

They do not believe in the dignity of man. They are godless. They scoff at the Bible account of man's creation. The Christian belief that man is created in the image of his Maker and endowed with an immortal soul has no place in their thinking. Their organization and the form of government they impose upon people they enslave are with them supreme.

On the contrary, ours is a Christian nation. It stems from our profound belief in and respect for the inviolability of the human personality.

Mr. Chairman, in adopting this measure and in implementing it, this Congress will send an electrifying message of hope and courage to every free people in the world and to those who sit in the darkness of Russian enslavement, and at the same time we join hands with peoples all over the world who desire to live in ordered liberty under governments of their choice. We open the door of peace to the Russian people themselves.

Mr. ISACSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the House of Representatives today in 10 very short minutes has taken an action which will shock the conscience of the entire world. It has taken an action which not only consti-

tutes the second betrayal of the Spanish people but an action which will depress all the freedom-loving people who aspire to democracy in the nations of Europe.

We in this House today have embraced to our bosom the Fascist government of Franco Spain.

For many weeks now there have been rumors that this Nation was joining with France and Britain in a three-power combination to foment a military alliance with the Franco government of Spain. Toward that end last month, at the instigation and the prodding of our State Department, France reopened its Spanish border, despite a hostile public opinion in that nation. In England it is contemplated that an announcement will be made shortly which will loosen the British attitude of stiffness toward Spain. Here in our own country there have been three specific acts:

First. On February 11, Secretary of State Marshall announced that the United States has no objection to including Spain in the list of countries to receive aid under the Marshall plan.

Second. On March 1 the State Department press secretary, Michael McDermott, admitted that the Government has no objection to the efforts of Spanish bankers here to obtain a $200,000,000 commercial loan from Wall Street banks.

Third. To avoid public indignation over aid to Franco, the State Department is still maintaining the myth of Spanish neutrality during the recent war by suppressing about 8,000 documents seized by the Army and Navy intelligence officers which show that Franco aided not only Hitler but also helped Hirohito in the Pacific war.

The existence of these 8,000 documents linking Franco to both Hitler and Hirohito and their suppression by the State Department was charged by Quentin Reynolds, liberal Catholic writer, who asserted that if they were ever published, no one could again affirm that Franco Spain was ever technically a neutral nation.

The suppressed documents go far beyond the white paper published on Franco several years ago and the 15 documents it contained. The suppressed evidence shows that:

First. German scientists developed and tested the V-1 and V-2 bombs in Spain itself with the full knowledge and cooperation of Franco.

Second. Cartels like I. G. Farben are now operating under various names—all listed in the documents—and are sharing full control of Spanish industry with Franco.

Third. Atomic research is being conducted in Spain by German scientists and the Franco government controls and owns the results of their research.

Fourth. Throughout the war, Spanish merchant shipping served as the eyes and ears of German submarines operating in the Caribbean and the South Atlantic and that Gestapo agents were transported to North and South America aboard Spanish vessels.

Fifth. The Spanish island of Minorca was used as a base for German planes.

Sixth. Spanish diplomats acted as liaison officers between Nazi and Fascist politicians and agents in Argentina, Bolivia, and Brazil.

Seventh. At least 40,000 known Nazi agents hold Spanish passports and can visit the United States and other countries at will.

The inclusion of Spain within the provision of this bill will make the second time within 12 years that the Spanish people have been betrayed by the democracies.

As a result of the 1936 betrayal under the slogan "stop communism," Hitler and Mussolini established Franco in power and thus made World War II inevitable.

Now in 1948 under the same spurious slogan our State Department is prodding Britain and France to join with Franco in another betrayal which will make world war III a horrible reality.

I predict that the inclusion of Fascist Spain within the purposes of this bill will arouse the indignation and resentment of the whole American people.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER:

On page 55, line 1, strike out the word "sixty" and insert the words "one hundred."

On page 55, line 4, strike out the word "ten" and insert the words "twenty-five."

Mr. HERTER. Mr. Chairman, I ask unanimous consent that what in effect are two amendments may be considered as one.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HERTER. Mr. Chairman, the purpose of this amendment is, in my opinion, to strengthen the administrative provisions of this act. During the debate that has taken place yesterday and today speaker after speaker has conceded the fact that the success or the failure of the very great program that we are undertaking in this bill depends on the kind of administration that is given. That matter was a matter of very grave concern to the select committee which studied this over-all problem, a committee which had no legislative function whatever, but was merely asked to report to the Congress its findings with respect to the global picture requiring American assistance at this time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In order to see if I understand the gentleman's amendment correctly, this is to increase the personnel from 60 to 100 and increase the rate of compensation for 10 of them in an amount not exceeding $25,000?

Mr. HERTER. No; 25 individuals between $10,000 and $15,000. Let me clarify the point that the gentleman has raised. What this amendment does is to allow the Administrator to appoint not 60 as provided in the bill, but 100 individuals outside of civil-service restrictions, and would allow of that number not to exceed 25 to be recompensed at a rate between $10,000 and $15,000.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Under the provisions of the bill, which the gentleman's amendment attempts to change, it would require a good deal more time than 30 days to set up such an organization, would it not?

Mr. HERTER. That is correct.

Mr. HARNESS of Indiana. And in the meantime, before the organization has been appointed and can function, the President could designate the State Department to carry out the provisions under the terms of this bill.

Mr. HERTER. He can designate any agency he sees fit.

Mr. HARNESS of Indiana. Well, obviously, he would appoint the State Department. Is that not the gentleman's view of it?

Mr. HERTER. I should imagine that would be the case.

Mr. HARNESS of Indiana. Since the special organization to handle this program cannot possibly be set up at once, the State Department will be operating this program and administering this act.

Mr. HERTER. It is my impression that what the State Department will be doing in that interim period is to exercise the powers of the Administrator only to the extent of keeping the pipe lines filled with foodstuffs, with raw materials, and with fuel.

Mr. HARNESS of Indiana. But it is not limited to that.

Mr. HERTER. It is not limited to that.

Mr. HARNESS of Indiana. So the State Department could carry out the entire terms and provisions of this bill. They could permit the entire amount to be spent during the first 30 days, could they not?

Mr. HERTER. That is correct.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Would not the increase on line 4 suggested by the gentleman from $10,000 to $25,000 be inconsistent with the $15,000 in the succeeding line?

Mr. HERTER. I have not changed the $10,000 to $25,000. I have changed the number of individuals who could receive between $10,000 and $15,000 to twenty-five. The very point raised by the gentleman from Indiana gives further strength to the necessity for this amendment. This particular provision of the bill appeared in the original State Department draft. It was left as is in the Senate version, and it is left as is in this bill. On the other hand, this bill contemplates giving the Administrator a considerably larger job than did the Senate bill. In addition, I am hopeful that before long the Administrator of this measure, assuming that he is the type of individual that we all hope he is, will have charge not alone of the program but of the economic program in all occupied areas.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HERTER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Georgia.

Mr. COX. On the question as to who will be the Administrator, the President could relieve the fears of the country if he would announce now that in the event of the adoption of this legislation he will name Herbert Hoover, Bernard Baruch, Lewis Douglas, Lou Brown, or Everett Dirksen, our colleague. In other words, the importance is in getting an Administrator in whom the people of this country have confidence.

Mr. HERTER. I fully agree with the gentleman.

As the gentleman pointed out, the administration is the all-important matter in this bill. The Administrator is going to have a difficult enough time in building an administration. Obviously we have recognized in this House the difficulties that our Government departments have in getting superior types of individuals to serve with the Government today, in a bill that we passed here less than 2 weeks ago, the agricultural appropriation bill, in which the Committee on Appropriations allowed the Secretary of Agriculture to appoint 10 individuals with salaries running up to $15,000 a year, for that one Department alone. They did that in recognition of the fact that today the Government cannot compete for first-rate individuals with industry unless that kind of leeway is given.

In this bill you limit the Administrator to the same number we gave the Department of Agriculture. That, it seems to me, is entirely out of proportion. He is going to have to build a new staff, he is going to have to build a temporary staff, he is going to have to draw, if he is going to administer this thing right, from industry and from the professions, and draw the very best individuals that he can find. It is for that reason, it seems to me, that we ought not to hamstring him at the beginning. The Committee on Appropriations can cut down this number if it sees fit, when it has had time to study the matter, but this is an authorization, and if we make the authorization so small, I think we are curtailing the Administrator's power to set up an effective administration.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. VORYS. The committee reviewed this amendment yesterday morning, and felt that it might come more appropriately later in the bill, when determination had been made as to the new duties that would be put on the Administrator. However, I can see no objection to having the Committee of the Whole consider this matter at this time, in view of the fact, as the gentleman has so ably pointed out, that the duties of this Administrator are largely increased by the House version of the bill.

Mr. HERTER. I thank the gentleman.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Minnesota.

Mr. O'HARA. In connection with the question of the gentleman from Indiana [Mr. HARNESS] with reference to control by the State Department of where this money should go in the first 30 days, would it not be true that the State Department would have the power to fix the amount which goes to the various countries? For example, if they determine that 50 percent of this should go to the United Kingdom, it will go there; is not that true?

Mr. HERTER. They can fix that, but the Administrator could overrule it as soon as he took over.

Mr. O'HARA. They could make a commitment in that time?

Mr. HERTER. I doubt very much whether they would do that for the simple reason they would run into very serious trouble.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. HARNESS of Indiana. If our fears are well grounded that the President will designate the State Department to administer this as soon as it becomes a law, what will there be for an Administrator to do if they commit all the money and carry out the terms of the bill?

Mr. HERTER. It is obviously impossible to commit all the money. Even if you take the matter of foodstuffs alone, there is no living human being who can today predict what the harvests in Europe or the harvests in this country or anywhere else in the northern half of the world are going to be. Nobody will know that until next July or even later.

Mr. HARNESS of Indiana. But the gentleman from Georgia yesterday pointed out that there are a number of individuals in the State Department who had a great deal to do with the preparation of the original bill. I believe he even termed some of them as subversive. Those people would have a free rein during the first 30 days, would they not?

Mr. HERTER. In reply to the gentleman, may I say that I hope there are responsible Members of the Congress who will keep their eyes very carefully on what is being done in the interim period.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HARNESS of Indiana. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for 5 minutes. This is an important amendment.

Mr. BLOOM. Mr. Chairman, it was stated here by the gentleman from Ohio [Mr. VORYS] that he was going to object to the extension of time of any speaker. Has he withdrawn that objection, or is he going to object? It does not make any difference to me, but if he is going to allow the time to be extended for the the present speaker, he ought to allow it for other Members.

Mr. BENDER. Mr. Chairman, a point of order. Obviously the gentleman from Ohio is not going to object or he would be on his feet.

The CHAIRMAN. The gentleman does not state a point of order.

Mr. HARNESS of Indiana. Mr. Chairman, I renew my unanimous-consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. GAVIN. We have heard a great deal about the proposed Herter bill for a separate administration of this entire ERP program. That seems to have vanished. While the gentleman is on his feet, would he mind telling us just what has happened to that proposal which he made and which we thought was an excellent one? I believe the gentleman might discuss that situation.

Mr. HERTER. The select committee made the initial recommendations as to how any program of foreign aid should be administered and recommended that a corporate entity was the best instrument in the opinion of that committee for the administration of this measure. During the various courses that this legislation has taken, first in the other body and then here, practically every feature or desirable feature, rather, of corporate administration has been brought into the bill. In fact, the House committee in this bill now makes the corporate set-up a permissive feature of the bill. The bipartisan advisory committee appointed by the President and confirmed by the Senate has taken the place of the corporate directors. The question of the freedom of selection of personnel, the very subject matter of the amendment now before you, is to take care of that freedom in the selection of personnel. In other words, practically every advantage that a corporate set-up would bring to the administration has been incorporated either by the Senate or by the House. It is for that reason that to change the entire administrative set-up as would be required in some twenty sections of this bill by an amendment would not gain sufficient point, particularly if it were thrown out in conference between the two bodies, to bring the matter up as a separate amendment. I am trying now to strengthen what there is in the bill and to carry out the initial advices made by that committee.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. BLOOM. I would like to ask about this 30-day interim period. Any contracts or obligations made during the first 30 days would be just as binding as if they were made by the Administrator. Is that not right?

Mr. HERTER. That is right.

Mr. BLOOM. So then, in the first 30 days the people appointed by the State Department could do anything they wanted to, and bind the Administration,

and whether it is right or wrong the Administrator would not have one word to say about it.

Mr. HERTER. That depends on the length of the contract.

Mr. BLOOM. I know, but during the first 30 days' interim, any appointee of the State Department could obligate the Administrator for anything he wanted to. That is, during the first year. Then the Administrator could not rescind any of the obligations that were encumbered during this 30-day period.

Mr. HERTER. The way the bill is written now that is possible. I cannot conceive that it will be done.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mrs. DOUGLAS. That is not correct. We went to great pains to write in the bill a provision that prevents the State Department in this interim period, before the Administrator is appointed, from signing any basic agreements. All the interim Administration can do is to sign temporary agreements, but no basic agreement can be signed until the permanent Administrator has been appointed—not because we did not trust the State Department as has been regrettably suggested on this floor, but because we wanted the Administrator, when he came in, to be responsible for the entire program, and not be able to say that if it had not started in a certain way the program might have been more successful.

Mr. HERTER. I agree with the lady except for one point. The Administrator can make all the domestic contracts that he sees fit during that period. It is only in the negotiation of permanent agreements with foreign countries that he is prohibited.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. KUNKEL. Was not the expectation and recommendation by the Select Committee on Foreign Aid that the organization should be set up in the special session, even though it would not have been able to carry through the interim-aid program? If that had been done, then the organization would now be functioning, and this particular question would not have arisen.

Mr. HERTER. That is quite correct. It was urged very strongly that that be done as the first step in a long-range program.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WALTER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in considering the amendment offered by the gentleman from Massachusetts [Mr. HERTER] it is important to bear in mind the fact that many of the public-spirited citizens who rendered service during the war period have left the Government and have returned to private industry. They have already made great sacrifices. Those of us who have been concerned with this legislation have been impressed with the importance of getting the type of people in whom we have confidence.

I call your attention to the report of the committee on page 43. The report says:

> The Administrator's qualities and abilities will largely determine the success of the undertaking as here envisaged. He must combine tact and source—

And so on. All through this report it has pointed out the need for outstanding people to administer this program. It seems to me that the only way we can get the type of people who can do the kind of a job that must be done is by minimizing the sacrifices that must be made in government service. We have often heard these complaints about the loyalty of people in the various departments. I attribute that largely to the fact that we are bound by Civil Service rules, which makes it impossible to prevent people from getting on the pay roll who should not be on the pay roll. But if this amendment is adopted, we can be assured that at the top of the administration there will be sufficient men of outstanding ability to get the program off to a successful start.

I urge that the amendment be adopted.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The amendment was agreed to.

Mr. COTTON. Mr. Chairman, we are all aware of the urgency of this hour. No question that has faced the American Congress for many years has been of more solemn import than the Foreign Assistance Act of 1948.

It is a heavy burden that is laid upon us today for we are being asked to further mortgage the future of our country and to take a step which entails sacrifices and hardships on the part of all the people of our land.

I am quite sure that most Members are as bitterly disappointed as I am that this step has become necessary. We came to the Eightieth Congress with high hopes of accomplishing much for the benefit of our people. They had borne the suffering and sorrows of war with magnificent fortitude and won a mighty victory. We believed that the sun was rising upon a new and splendid era for America.

The shackles of Government controls and regimentation made necessary by the war were already loosening and we planned to tear the last of them away and permit American initiative and free enterprise to forge ahead.

We expected to reduce the costs of government and relieve the people of the heavy burden of war taxes. We hoped to broaden social security and provide more adequate protection for the aged. We hoped to provide for the returned soldier even greater opportunity for self-development and advancement than we have yet been able to do, and to build homes that he might at least be assured of a roof over his head. We hoped by Federal aid to education to extend and perfect the school systems of every backward State in order that we might conserve and develop our most precious natural resource—the oncoming generations. We hoped to conserve and restore our depleted soil, replant and protect our forests, dam our streams, develop our power, reclaim our barren wastes, and thus lay the foundations for the America of the future. We hoped that we could improve our labor relations, provide a higher minimum wage, raise the income of the worker both in the mill and on the farm and especially those who teach in our schools, and thus guarantee a higher standard of living for our people.

All these things were crying to be done and we were eager to do them. Some of these objectives have been partially accomplished and some others will be accomplished before we adjourn, but the full fruition of this program is now impossible.

Why? Because we are still at war.

This Nation cannot recover unless other nations recover and that recovery has been retarded and made impossible by those who still desire to rule the world by force. We have therefore no alternative or choice. There are two things we must do, build up our own defenses and maintain the beachheads of freedom abroad.

We must all face the grim reality that the cost of national defense and of foreign assistance will deprive our people of many things, including some of the services they have been expecting from their Government, but the cost is small compared with that of another war. For that reason I am ready to go the whole way in supporting a strong national defense, including a powerful air force, the return of the draft, and universal military training, if all of these are necessary.

I shall also support the bill now before us.

Every Member of this body has grave doubts concerning the ultimate success of this plan. General Marshall himself has expressed such doubts but there can be no doubt but that we must make the attempt. Delay and indecision have contributed to this emergency. Our present action must be definite and decisive. There must not be another case of "too little and too late."

We are legislating today with a shadow of another world conflict already upon us. I am deeply convinced that in passing this bill we are grasping at the only hope for future peace and security. This is not a time to quibble over details or yield to petty political or personal prejudice, for every day and every hour count.

I therefore take this opportunity to state that I shall oppose every amendment that delays or materially alters the effect of this act and shall vote for the bill as reported by the committee. It is called for by the President of the United States, demanded by the vast majority of our people, and hoped for by all men everywhere who love liberty and desire peace.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POWELL: Page 55, line 19, after the period insert a new paragraph as follows:
>
> "(g) The Administrator must promulgate such rules and regulations as may be necessary to guarantee that all goods, articles,

commodities, and materials be processed, manufactured, distributed, and transported only by persons, firms, and corporations that do not refuse employment because of race and color."

Mr. POWELL. Mr. Chairman, this amendment is very simply stated.

I should like to begin a brief discussion of it by quoting from a speech made by one of our distinguished colleagues a few minutes ago, an eminent Representative, the gentleman from Mississippi [Mr. WHITTINGTON], who in his speech said that the spiritual emphasis of the Marshall plan is more important than the material. One of the quotations from his speech is as follows:

We must demonstrate that democracy is functioning here, and that means freedom to work, freedom to speak, and freedom to worship.

That is just what this amendment means. This amendment means that we are going to have success with the Marshall plan only if we back it up with the American plan; and the American plan is just what our colleague from Mississippi said, to demonstrate that democracy is working here and that means, first, freedom to work.

I know there are some who do not believe in this, and I am not talking to those who are against it. I respect their views but do not agree with them. I am talking to the Members of the Republican majority in particular and to the northern Democrats.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. MARCANTONIO. I would just like to know what this Foreign Affairs Committee, or the majority of it that was so anxious to accept the amendment for Fascist Spain, are going to do about this amendment which provides for democracy in employment at home.

Mr. POWELL. I thank the gentleman. I will continue.

It is not a question of those who are against this amendment, but a question of those who are for it. There are 15,000,000 people in this Nation of ours who comprise the most loyal element in our democracy. These 15,000,000 people are looking to the Republican-dominated Congress to give that which they have been looking for during the years before and had been told it was impossible because previous Congresses were dominated by a group that believed in States' rights, and who were against anything aimed at the abolition of segregation and discrimination. But the Republicans are in charge now. There are 15,000,000 people looking to you Republicans. They are looking at you askance, because in the past year and a half of the Eightieth Congress every provision to guarantee democracy here at home has been defeated on this floor or in committee, except the anti-poll-tax bill of our colleague the gentleman from Ohio [Mr. BENDER].

On this floor a year ago you wiped out my amendment which would have allowed Negro women to serve as nurses in our armed services. Today there are 20,000 Negro men in the United States Navy and only 1 Negro nurse. Before the Armed Services Committee there is a bill to guarantee the admittance of women in the Army and Navy as Wacs and Waves. I appeared before that committee. I urged a provision that would guarantee that Negro women could serve. The committee turned down my amendment which was offered by one of their members.

UMT is coming before us. In the UMT bill, as presently drawn, there is no provision which will guarantee that American citizens can serve their country at their best. UMT will permanently segregate all Negroes in peacetime and war. We are going into Europe and the rest of the world not practicing what we preach. The Marshall plan nor any other plan is going to succeed without the American plan genuinely and honestly being brought forward first. That is the only way the peoples of the earth will know that we are not hiding behind a dual way of life—one way for white and one way for colored. We can stop any "ism" in the world with the power of American democracy, which is the Constitution and the Bill of Rights, not the Marshall plan. But we cannot stop any "ism" with all the billions of the world if we are not honest at home.

I demand, therefore, that we do not do less now in our drive for peace than we did during the war period. During the war Negro citizens served in the armed forces and in the industries at their fullest capacity. I leave this amendment with you and urge you to vote honestly. Fifteen million Negroes and their friends are looking at you, the Republican-dominated Congress, to guarantee freedom for all. Can it be that the same Republican leaders who demanded Fascist Spain get our help care less for 15,000,000 Americans citizens? If you defeat this amendment I have offered, Negroes and whites will think that the Republican Party is based on hypocrisy.

Mr. OWENS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from New York speaks on the theory that we are here in the interest of the people of America. I doubt that very, very much. After hearing the gentleman from Tennessee rant and rave a little while ago, I began to wonder whether we eat the same kind of Welsh rarebit when he spoke about the domination of the world by the Soviet Union. If we were to believe what he says then we should declare war immediately. He seemed to forget the language of our late President who spoke about America's rendezvous with destiny, and also of the fact that our generals seem to have the same theory that has been possessed by the military of our country for a long time—that it is America's destiny to rule the world.

I congratulate the gentleman from Massachusetts who has maneuvered this bill through the House and the able way in which he handled the situation, including the various methods whereby he has approached the question. Of course, he has influenced the result a great deal and has undoubtedly swayed the Members on the Republican side who otherwise would not vote for the bill. That is unfortunate, because it is obvious that he, himself, is in doubt.

Mr. Chairman, when the Republican Congress came in last year a calm settled over the House. We passed the labor bill, which was and is the finest thing to stop communism, because provisions were put in there that moved the Communists out of the vital part of our economy—labor—and checked their progress. They realized that immediately and began to proceed from a political standpoint. That is what they are doing now. Of course, the best way you can aid them is to give them something to talk about. The Un-American Activities Committee, along with the Committee on Labor, has been working diligently to clear these people out of high places in government and out of various sections of our country. When you get them out on a political platform and give them something to talk about, that is when danger really arises.

We speak about Stalin and the Soviet Union moving into these various countries of Europe. If we were in their place, and we wished to adopt a program that would succeed, according to their theory of government, the best way to do that would be for us to move into these countries as they have moved in, then have our country get excited about it, and spend billions of dollars sending over our machinery and other equipment where they could take it over; then render ourselves short of the goods and materials that are needed at home, as well as to make ourselves short of labor so they can once more get into our labor organizations throughout the country and cause chaos. That is the easiest way for them to take over.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Does the gentleman know of any move that Stalin and the Communists could have made to assure the passage of this plan that they have not made?

Mr. OWENS. The gentleman is absolutely correct. I feel that they have used great shrewdness. You know, a French nobleman, about 100 years ago, Alexis de Tocqueville, called attention to the fact that a century from then, which is now, America and Russia would be each ruling half of the world. He said that the other nations of Europe were decadent then, that their growth was stopped. About that time, the liberty loving people of those nations were emigrating to America. They have been doing it ever since, leaving the nations more decadent now than they were then.

It might be well for us to permit the balance of those people who are still worth while into our Nation instead of trying to help those countries rebuild. But, let the Soviet Union take them. What will they do with them? I do not know that, but I am sure that they will then have real trouble. Let us build up our own military strength. Let us strengthen our Air Force, our Army, our Navy, and our research department. Let us build up our National Guard and the State militias, our ROTC in our schools, and proceed with technical improvements. Let us prepare ourselves on the home front so that we can meet them in

combat should it ever become necessary. It is not courageous for us to depend upon some other nations to aid us, as we did in World War I and before World War II. It is time we stand on our own feet and fight like men. If we think the Soviet Union is doing wrong, let us tell them so, and let us take appropriate action.

I am not one who is in the habit of saying, "I told you so." However, I must take this occasion to call your attention to the fact that at the time of the argument upon the Greek-Turkish relief, almost a year ago, I said:

> I believe that we should be very generous with the starving and needy people of the countries that have been devastated by war, but we should cease to expend the lives of our people and our money in a vain effort to perpetuate foreign empires and the property of oil barons and other financial geniuses of this Nation and other nations.

I also called attention to the testimony of Mr. Inman, guest professor of international law at Ohio Wesleyan University, who told the Foreign Affairs Committee that:

> Every man who travels outside the United States today knows that people everywhere, even in Canada, the Scandinavian countries, Holland and England talk of fear of American dominance. The other great fear is of communism. The way to throw the weight of the public opinion of the world on the side of Russia is to follow the President's plan to start arranging the affairs of other nations for them.

Last evening I heard the Chief of Near Eastern Affairs of our Department of State say that the aid to Greece last year prepared the way for the present program. That is exactly what I thought at that time, and it constituted the reason for my stand against the military aid to Greece. When there is a military job to be done, let the armed forces of our country do it. The duty of Congress is to furnish the means for the military arm.

We seem to forget entirely the history of the past. We act as though the march of economic or military force in Europe were something new, when we know that it is not. Well over 2,000 years ago the forces of Xerxes, of Persia, moved upon Greece, as did Philip II, of Macedon, followed in turn by his son, Alexander, of Greece, called the Great, who set out to conquer the then-known world. Out of Rome came Julius Caesar, and then the campaign of Charlemagne, Emperor of the West. Then there was Charles I, of Sweden, Philip II, of Spain, Catherine the Great, of Russia, and the Little Corporal, Napoleon, all of whom would rule the world, or at least what they thought was the world. But, nevertheless, with all of the shifting back and forth, the various nations remained in more or less the same status, with the exception of Great Britain and France, who alone seemed to be able to expand their empires and the servitude of hundreds of millions of people, which followed as a result of their so-called benevolent dictatorships. But even their empires began to topple when the new conquerors, Hitler, Mussolini, and Tojo began to march. We had expended our resources, our energy, and the lives of many of our fine young men in World War I to aid the nations of Europe, despite the warnings of the Father of His Country, and whose words I quoted on this floor on May 7 of last year. While the Farewell Address is read on Washington's Birthday each year, all too little attention is paid to the text. So we adopted the same course which was pursued prior to World War I, and we became engaged in World War II, with the loss immediately of thousands of lives which could have been saved, except for the extreme recklessness of those who would be classed as leaders of our Nation. We would now aid the declining empires of Great Britain and France in their wars against Indonesians, the Indo-Chinese, and other peoples of Asia who crave their freedom as we once craved ours. We should not give them a bit of aid while they practice slavery, including enslaving former soldiers of Germany.

A year ago I asked a question of one of the proponents of military aid to Greece and Turkey. I said, "If the Soviet Union has offended us, why should we not sever diplomatic relations instead of taking the same pusillanimous course which has side-stepped us into two previous wars?" Naturally, I received no adequate answer. At that time I quoted the words of Monsignor Sheen, well known for his radio addresses on the Catholic Hour, and who offered the prayer at the opening of our session this morning. He said:

> War is not the answer to communism. We must not hope for the extinction of Communists, but must pray for their conversion.

I am wondering if we have not forgotten how to pray, and if we can only think of military conflict. Last year, on June 10, when the Voice of America program was before the House, the gentleman from Ohio [Mr. BREHM] asked me the following question:

> How does the gentleman reconcile the position of our State Department and some of our leaders in this country, who are advocating military conscription, going into an armament race with Russia now, with the position they are now taking of cooperation? If we are going into an armament race, as we certainly are, then why in the name of common sense do we need a program of this kind? They are absolutely at sword's points. Is that not correct?

My answer to the gentleman from Ohio was as follows:

> I agree with the gentleman. I do not believe there has been any thought whatsoever given to the matter. I believe it is just a question of going on and on, in an attempt to stop the economy program of the Republican Party. They are going to stop it any way they can. They will get us into war to stop it, just so that they do stop our program to balance the budget and establish real economy in our governmental operations.
>
> It is my opinion that legislation such as that which is being proposed by the bill under discussion constitutes an apparently innocent, but nevertheless subtle and dangerous way to extend control and absolute control of our Federal Government. One of our noble founders, Thomas Jefferson, repeatedly warned us against such sinister methods of ending our great constitutional form of government.

Two weeks later, while the same subject was up for discussion, I again quoted from another portion of the Farewell Address, where George Washington said:

> Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens), the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots who may resist the intrigues of the favorite are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

I still feel the same way about our present Administration. I do not trust it.

Let us pause before it is too late. We have been intervening entirely too much in the affairs of other nations and, while we are trying to help them, we are becoming hateful to them. We should permit them to stand on their own feet and protect their honor. We should not further weaken their morale by useless gifts, as we recently did with England, and as we did during the thirties with our people here in America. Strength comes only with effort. Give them the opportunity to use that effort in their own behalf. In the meantime, let us gird our loins, from both a spiritual and physical standpoint, so that we may be prepared for any eventuality which might arise.

Mr. MARCANTONIO. Mr. Chairman, I rise in support of the amendment.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Ohio.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, I rise in support of this amendment. The amendment is very simple. The amendment provides, in effect, that the portion of the $6,700,000,000 that is to be spent under this bill which is to be paid to manufacturers, processors, firms, and to transportation and distribution firms and corporations shall be spent in accordance with the principles of fair employment practices; that is, that no firm or corporation or individual who denies employment to any person because of race, color, or creed shall receive any of the benefits of the funds that are to be used under the provisions of this bill.

Now, this money comes from everybody. This money comes from all the American taxpayers. It comes from Negroes, whites, Jews, and gentiles. Therefore, why provide for the further enrichment of those firms and persons that practice discrimination in employment because of race, color, or creed? Here you have the proposition that you Republicans and Truman Democrats have been preaching so much all over the

country. Here the question is whether you mean what you say. I address my remarks now directly to the Committee on Foreign Affairs. You met this morning and you accepted an amendment to include Fascist Spain under this bill. Now I am asking you, Will you accept this amendment to make certain that Negroes will not be discriminated against in employment, by those firms, individuals, and corporations that will be benefited by this bill? That is the proposition that is before the Committee on Foreign Affairs. You can ignore it if you want to, but this record stands. The American people are bound to learn of this record, and they will want to know why the committee that reported out this bill, was so ready and so anxious to accept Fascist Spain and the butcher, Franco, as a beneficiary under this bill, and now refuses to accept an amendment that guarantees employment against discrimination.

Why does this committee refuse to accept this amendment? It is because this bill is not based on a policy for freedom of people. It is because this bill furthers an imperialist policy and imperialism rejects democracy at home and abroad. This matter is now in your laps. You either take it or you leave it.

Your refusal to accept it demonstrates conclusively just what this bill is about. Although it is heralded by you as a bill for freedom, it is a bill in the interest of Wall Street exploitation. This is a test. I again call on the Committee on Foreign Affairs to accept this amendment. You were more than anxious to accept the Fascist Spain amendment. How about this amendment to protect the 14,000,000 Negro people in the United States?

Mr. CASE of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from New Jersey.

Mr. CASE of New Jersey. I expect to support the amendment. May I ask the gentleman, if it is adopted, will he support the bill?

Mr. MARCANTONIO. I am opposed to the bill, because it is basically legislation for big-trust control of the world. I never double talk. However, I am a realist, and I know that this bill is going to pass. Therefore, I shall support every effort to guarantee employment to 14,000,000 Negro people. I shall support every amendment to protect 14,000,000 Negro people against discrimination which this bill permits. That is my answer to the gentleman. I should like to know if the gentleman is going to go to his committee and his leadership and ask them to support this amendment, just as he has asked me to support this bill?

Mr. CASE of New Jersey. I intend to support the amendment. The gentleman has given me his answer. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 38, noes 91.

Mr. POWELL. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

GENERAL FUNCTIONS OF ADMINISTRATOR

SEC. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

(3) provide for the efficient execution of any such programs as may be placed in operation; and

(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

Mr. VORYS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. VORYS, of Ohio: On page 57, line 16, after the word "officer", insert the following: "in performing functions under this title."

The committee amendment was agreed to.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask for some information from the committee, or from whoever can give it to the House. On January 15, Secretary Royall, of the Army, appeared in behalf of this scheme. He declared then that the choice is between the foreign-aid plan or a larger Army. Those are not his exact words, but that is approximately what he said. He said the choice before us was the aid plan or a larger Army. Now the demands of the armed services indicate that they believe we are on the verge of war, and they are asking for a much larger Army. I would like to find out from the chairman of the committee, or from any member of the Committee on Foreign Affairs, whether they received any explanation from either Secretary Royall or from any other high official in this administration why the Secretary made one statement on January 15 and now a few weeks later the War Department asks for a very much larger Army. Did they know that fact when he made the statement on January 15 or have there been developments that explain this shift in position? I wonder if any member of the committee can explain this strange performance?

Mr. VORYS. During the last few weeks the committee has been kept in rather close touch, I believe, with the military situation through the members of the armed forces and through the Department of State.

Mr. BUFFETT. Did the committee get information that explains to it the need for a much larger Army after Mr. Royall declared on January 15 that the aid plan was the alternative to a larger army?

Mr. VORYS. If the gentleman interprets Mr. Royall's view as stating what he says, I do not believe that that was the general proposition which was put before the committee. We were told that we would of necessity have to keep our armed forces intact even though this plan might remove or lessen the danger of war.

Mr. BLOOM. Mr. Chairman, will the gentleman yield? The question the gentleman is asking the Committee on Foreign Affairs ought to be asked of the Committee on Military Affairs. The Committee on Foreign Affairs would not have anything at all to do with that.

Mr. BUFFETT. The point of the question is that the Secretary of War appeared in behalf of the foreign-aid program and said that this plan was the alternative to a larger Army. He said either we have the aid plan or we have a much larger Army. Now they are asking for both. Certainly the Committee on Foreign Affairs should have an explanation of that performance.

Mr. VORYS. I think everybody in Congress understands it possibly except the gentleman because it has been proposed in our hearings by Mr. Douglas and by Secretary Forrestal that if this entire aid plan should fail there would of necessity need to be gigantic increases in our armed forces very soon in order to resist a possibly unfriendly power that would possess all the rest of the world in a few years except the Western Hemisphere.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PRICE of Florida. Mr. Chairman, I suppose that everything both for and against this bill has been advanced in the last few days on this House floor. The pros and cons have made their arguments in every conceivable manner and no one in this House will deny that Members have earnestly presented their views. Therefore it would be a waste of time for me to attempt to bring any new argument for the program or even to say

something that has already been said in different words. I will simply say that I am for the bill even though no one would be foolish enough to say that they could guarantee that the program or the spending of these billions or even billions of dollars in addition to the amount included, would solve the problems of the world today or bring peace. I, as a Representative of the people, am willing to take the chance. I had rather send our dollars, even though it may be necessary later to send our boys, because this, in my opinion, is an honest effort to avoid war and the necessity of sending our boys. On November 1, 1947, I wrote President Truman of a plan that I thought would help bring peace to the world and although the President did not consider the plan worthy of even an answer I still am of the opinion that my plan would have at least been a step in the right direction. I am, therefore, inserting my letter to the President in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington D. C., November 1, 1947.

The PRESIDENT,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: Thousands of our citizens are sending packages containing food to relatives in Europe. Millions of our citizens would send packages if they had someone to send them to or knew positively that hungry people would receive the packages.

I suggest that our ambassadors or ministers in countries where the people are starving organize native citizens to distribute these packages to those really in need.

Our people could be advised where to send the food, the kind of food most needed, and those in each State could send to a particular country or, if the need of any one country was particularly great, two or more States could send to the same country.

The distribution within each country could be handled from one or two central locations in the foreign country. I believe these details could be worked out with but little cost to our Government.

Our citizens could be advised on a standard size and weight package and all could be exactly the same in size. The people in each State could be advised as to the most desirable food needed in the country to be supplied by that particular State. They could also be advised as to the amount of postage required for the weight of the package.

An appeal could be made to the housewives of America to save at least a dollar or two on their food bill each week. They could supply the needs of their own families but cut down enough to buy $2 worth of the particular food that they would want to send abroad. By encouraging them to actually save on their food budget, thus there would not be a drain on our own food supply.

If our people could be guaranteed that they could send food that would be given directly to those starving, there would be millions of our citizens willing to save $2 each week on their food bills, and that is not asking too much from any family.

As a further suggestion, each family could include a letter and a small snapshot of the family group in each package sent. The picture, I believe, would work wonders. The starving people could see that here in America we are well clothed, well fed, healthy, and happy.

This would do more to create good will among the people of the starving countries than all the Voices of America millions could buy.

The letter bearing the name of the sender and a word of sympathy and comfort would work wonders.

I honestly believe churches by the thousands would endorse and push this program, to say nothing of millions of families who never attend any church. I believe our radios and newspapers would gladly assist.

I hope you will look with favor on this suggestion. I believe this plan would actually begin to relieve the starving long before any action can be taken by Congress. I have attempted to be as brief as possible but I am sure the details could be worked out in a short time.

Yours respectfully,
EMORY H. PRICE,
Member of Congress.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not surprised that the committee is very much confused with reference to this ERP proposal. I wish to state that in 1945 I took this floor and called the attention of the House to a statement by David Lawrence. This is what he said at that time, referring to the Crimea Conference:

What did Stalin get?

Acquiescence in his grab of the Baltic states of Estonia, Latvia, and Lithuania. Annexation of territory that previously belonged to Poland. Acquiescence in the sphere of influence set up which will mean Stalin-controlled governments in Poland, Hungary, Czechoslovakia, Yugoslavia, Bulgaria, Rumania, and in the Baltic areas. Reparations from Germany that could include forced labor. More lend-lease dollars and goods from America.

That was back in 1945. That statement up to this time has never been challenged by anyone. There was a map here this morning but it has been removed. On that map it showed the very countries that Russia has taken over.

Now, we did not hear anything about the expanded army. Apparently here was an agreement made at that conference of which we were a party. What I am wondering and what the people are wondering is how many more of these secret agreements have been made that we know nothing about. We are certainly getting very excited about war. Our industrial plants are being regimented ready for war. The people are told that they will have to be regimented for the coming war. Yet, as I say, this statement by David Lawrence has never been challenged by any person at any time anywhere. So up to this time we are creating a hysteria to pour more billions into these foreign lands.

Let me call your attention to a few more statements that are rather important. I remember when we had the Atlantic Charter. That was to preserve peace in this world. First, we had the neutrality declarations of 1914 and 1917. That was to keep us out of war. Then we had Wilson's 14 points. That was to keep us out of war. Then there was a covenant of the League of Nations. That was to keep us out of war. Then the Washington treaties of disarmament. That was to keep us out of war. The Kellogg Pact to outlaw war. That was to keep us out of war. The Dawes plan and the Young plan to keep us out of war. The Stimson doctrine to prevent aggression. That was to keep us out of war. The London Conference. That was to keep us out of war. The Roosevelt Neutrality Act. That was to keep us out of war. The "four freedoms." That was to keep us out of war. Hull's 17 points. That was to keep us out of war. Then came the Atlantic Charter. That was to keep us out of war. Then the Yalta declaration, to keep us out of war. Then there was lend-lease to keep us out of war. Then UNRRA to keep us out of war. And the Potsdam Agreement to keep us out of war. And Bretton Woods to keep us out of war. And Dumbarton Oaks to keep us out of war. And Bank for International Settlement to keep us out of war. And Export-Import Bank to keep us out of war. And the United Nations to keep us out of war. What has it done? It has collapsed. It is nothing but a shell today. Then there is the Truman doctrine that was going to prevent war, and now we have the Marshall plan pouring billions into those countries. Now, let us review the situation a little.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. KNUTSON. How about the reciprocal trade law that was to prevent war?

Mr. REED of New York. Yes. I am glad the gentleman brought that up. That was very interesting. They were going to increase our exports. When they could not increase them any other way, they started to ship scrap iron and steel ingots and engines for airplanes and oil to run them, and the result was that we armed Japan so that she could strike, and the price we paid for that perfidy on the part of the State Department and the propaganda at that time was the murder of 3,000 boys at Pearl Harbor and the destruction of most of our Navy.

Mr. KNUTSON. Will the gentleman yield further?

Mr. REED of New York. I yield.

Mr. KNUTSON. Does the gentleman recall that Secretary Hull came before our committee and said that the passage of that legislation would insure peace for 50 or 100 years?

Mr. REED of New York. Oh, yes.

Mr. KNUTSON. And then within 4 years we were in the midst of the bloodiest war of all history.

Mr. REED of New York. I remember that Le Bon, the great French psychologist, in 1910 said we were entering an era of crowds.

That is what we are doing, along with the crowd hysteria. The warmongers are working upon the crowd mind, and unless we stop this propaganda and come to our senses and protect this country we will not have a Republic.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LANDIS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I never rose to address the House with a greater sense of responsibility than at this moment. It is not that I flatter myself for 1 minute that anything that I may say, or possibly anything that anyone else may say, will influence a single vote, and that remark

is in no respect an imputation upon the sincerity, the candor, or the patriotism of any Member of the House. However, it does seem to me important to make a record of what is a very critical hour in the history of the Republic, so that future generations, if they turn back to the CONGRESSIONAL RECORD, may know that there were some Members of Congress who at least protested against the several steps proposed by the President which will eventually lead to war.

For more than 8 years the people of the United States have been denied the right to express themselves on the means and manner of their relations with other peoples of the world. The device which has throttled their expression has become generally known to them as the bipartisan foreign policy. This policy was born while I was a freshman Congressman. Its first expression came swiftly on the heels of the utterly indefensible and certainly misnamed Neutrality Act passed by the Congress in 1939. I need not retrace the long series of enactments which grew from that miscalled legislation nor do I challenge the rights or the wrongs of an act which has passed into history. Right or wrong, it was an act of the Congress taken without the approval of the people. Right or wrong, it became law with the support of both parties. Right or wrong, the principle upon which it was based was never permitted to become an issue at the polls.

Most of you will remember that the Neutrality Act controverted a long-time accepted policy of the United States of America which held that the goods of America could go anywhere in the world where there were buyers. That policy was freedom of the seas. The Neutrality Act denied that policy. The American people opposed the Neutrality Act if my observation was good. The Members of Congress decided that an emergency existed and that it was expedient for them to ignore the wishes of their people and to voice their own great, all-pervasive, ponderous, and generally accepted wisdom.

Year after year from then until now, Congress has performed prodigies of legislation respecting our relations with the peoples of other lands. I have but to call the roll of the international legislation which Congress has enacted during those years, in that same spirit of self-recognized greatness for you to know that the foreign policy of the United States—the so-called bipartisan policy—has never had the support of the majority of the American people. For your thinking, I recall for you the revision of the Neutrality Act, the lend-lease program, the destroyer deal, the legislation which set up the United Nations, the Bretton Woods agreement, the British loan, the Greek-Turkish loan, and the many other acts of Congress passed under the bipartisan foreign policy and all passed against the will of the American people as it has been expressed in my district and elsewhere.

May I say to you now that the people of the Seventh Congressional District of Indiana, in their mass wisdom, foresaw and criticized in advance the failures of the bipartisan foreign policy. May I also say to you that they now foresee and criticize in advance the failure which they know will follow the enactment of this European relief program. Calmly, without heat and in no spirit of attack upon those who have so honestly, so diligently, so seriously devised and presented the European recovery program, I tell you now that the people of the Seventh District of Indiana have forecast its failure. They believe it is wrong. They believe it is the seed of war—not a preventive. They believe it leads us only into a mire of future emergencies which will entangle the feet of American generations yet unborn in power politics, imperialism and destruction of the dignity of little people all over the world.

At this point, however, I do not seek to attack the Marshall plan as such. I shall reserve that for a few moments because I want to direct your thinking to the pomposity of the bipartisan foreign policy. During my years in Congress of the United States, I have sought conscientiously and with personal determination to follow, insofar as I could, the national platform of my party and the policies which my party leadership had furthered and espoused. Some of the leaders of my party in both Houses of Congress have endorsed the bipartisan foreign policy. Acceptance of the bipartisan foreign policy has become a principle to which these gentlemen have adhered in such numbers as to commit my party to its support.

Regretfully, insofar as my position brings me to a division with my party leadership in this matter, I must again protest against the dangerous course they ask us to take.

Again and again during these years that have passed while this policy has been accepted, I have heard Members of Congress say, "this is an issue upon which we should give leadership to the people." Of course these Members knew that it was the people who must pay the bill and do the fighting. Nevertheless, these Members come to the floor of this House and the Senate to cast their ballots for legislation which they know in their hearts is being stuffed down the throats of their constituents.

I say to you now, and I shall continue to say that for Members of Congress to say the people err is crass and pompous ignorance. It is the calm assumption of God-like powers. It is blatant arrogation to themselves of authority beyond the concept of the duties imposed upon Congressmen by the electorate.

Thank God this is still a representative republic. It is founded upon the solid logic that the people would choose spokesmen to perform their will. It is based upon the principle that when the representatives of the people do those acts which the people command, the Republic will be safe against the encroachments of others and against decay within itself.

The concept of our Government is that it is the tool of the people, not as these blandly egotistic, self-nominated molders of the public will would make it, the master.

The logic upon which the bipartisan policy is founded is that we here in this room are supermen—that there has been conferred upon us by some occult power, the gigantic intellect and foresight which makes us right in our judgment and conversely the people wrong.

The bipartisan foreign policy assumes that we must not refer to the people for their approval and for their expression, the compromising, niggling, halting, vexatious and confused results of our thinking.

Who are we thus to set ourselves above those from whose rights our powers arise?

Who are we to cloak our petty ambitions, our personal aims, our greeds, the wickedness, the virtues, the decencies, and the sincerities which we have as little men in the robes of self-determined greatness, to deny the people the right of self-expression?

Yes; this is the effect of the bipartisan foreign policy. In its basic concept it lifts the American foreign policy above the level of the election booth. It says to the American people:

"We will not let you express yourselves as to our acts. We will not let you tell us we have erred. We will not let you outline for us the steps which we should take."

In all of its fumblings, in all of its failures, and in all of its procreated emergencies the bipartisan foreign policy has never yet embarked upon a venture more sweeping in its possible effects than the European recovery program which is now before us. The people of my district are opposed to the Marshall plan. They are opposed to the bipartisan foreign policy. They believe that they have the right to pass upon it. I shall do their bidding.

If the constituencies of my colleagues in this Chamber have likewise expressed themselves upon the bipartisan foreign policy and upon this ambitious program before us, and if my colleagues are to vote the will of the people, then the European recovery program as it is now before us will fail of passage. For the people do not want the Marshall plan. I have but to call upon scores of individuals among you who have conducted polls in your districts to verify the statement. In my own State several of my colleagues have conducted polls. Without a solitary exception, these have resulted in overwhelming majorities against the Marshall plan.

Tell me my people are not informed? Tell me they are not intelligent? Tell me that they do not understand the Marshall plan? Tell me that you, in your statesmanlike greatness, know more than the people you represent?

Your answers to these questions are less consequential in their bearing upon the action of this Congress with respect to the European recovery program than they are with respect to the basic question I raise. The bipartisan foreign policy is wrong because it denies the people the right to express themselves at the ballot box on the issues of United States foreign policy. The powers of the Congress must spring from the people. The people must have the right to veto the acts of their representatives. The bipartisan policy seeks to deny them this right. Therefore, it is wrong and immoral. It is a denial of an American

principle that I cannot support. I cannot contribute to the development of a theory that a group of Congressmen entrusted with the responsibility for devising legislation are rulers of the people rather than their servants. I cannot subscribe to the development of a theory that election to the Congress of the United States confers superiority of any kind upon any of us above those whom we are chosen to represent.

My reasons for opposing the Marshall plan are many: First, because my constituents oppose it; second, because it is the weapon of the bipartisan program which seeks to deny to them the right to approve or veto a matter of foreign policy; and third, because in my own judgment its effect upon the American of tomorrow has not been thoroughly explored, neither has it been discussed with a full understanding of the great responsibilities it will impose on us.

Specifically, with regard to the Marshall plan, I would point but briefly to a set of facts:

The Marshall plan presupposes that we shall devote to the laudable purpose of European recovery our wealth and our substance on the theory that failure to do so will lead us inevitably into war.

I shall not challenge this statement, although I deny that it has been proven. It remains an open and debatable conclusion to which I cannot adhere, though I will listen to the proof if it be adduced.

The very proposal begs a question, What will happen if we do, not if we do not, pass the European recovery program? I shall in a measure seek to answer that question.

We shall establish in the aided nations of Europe all-powerful authoritarian governments, shored up with our wealth, and given strength to impress the people, when and if they shall fall into the hands of wicked men.

While we fight the totalitarianism of the Communists, we create authoritarian government which will be its counterpart in all save name. I know and I hate the performance of communism in government, and I know and hate the type of government which grows out of communism. Let me tell you that there is no vast difference between the hammer and sickle, and the crooked cross of fascism, even in appearance. I say to you that authoritarianism is wrong, no matter what its name.

Let me also say that when we shall, by the European recovery program establish in Europe all-powerful governments, totalitarian concepts will be the inevitable result.

There is in the Marshall plan for European rehabilitation not the slightest seed from which there might sprout representative government for any nation we would aid.

I ask you, how under its provisions, may a Frenchman buy goods from a Briton—for to do so he must deal with the British Government? There exists, and can exist no economic machinery by which he as an individual may engage in the simple act of buying a minor necessity, unless he does so through the channels of government. He must buy his goods through an agency created by his own government, which alone can engage in trade upon that plane of equality which must be established if commerce is to follow. It follows, thus, that his Government must regulate his life in every phase, for a nation cannot exist half regulated and half free.

As we who sat in this Congress through the years of the shooting war now ended, must know well, each regulation you devise must in turn demand yet another until regimentation is complete. We set out to devise a minimum of wartime regulation. We came to VJ-day, a totalitarian state, the chains of which we have not even yet fully freed.

These are things you know. Criticize it as you will—the fact remains that we are proposing to fight communism with what must inevitably be a form of totalitarianism for those whom we seek the guaranties of freedom. This is not the way to liberty. Nor is the way to liberty opened the wider here by those among us who have devised this juggernaut of fear and apprehension—the bipartisan foreign policy— with its wicked and evil effect of refusing to the people their right to veto it at the polls.

Although the people in my district are against the Marshall plan, they want me to do what is in my power to create and maintain an Air Force, second to none, and by the same token, we must strengthen our Army and Navy. They feel that only by keeping strong can the United States stay at peace. A powerful Air Force is the only immediate weapon available for retaliatory action in case we are attacked.

We must emphasize more and more scientific training among our youth from high school through college. Where we have had 1 scientist before we must have 10 in the future. We must create immediately the long delayed stock pile of critical war materials. And we must do everything possible to make every citizen feel more keenly that he is getting a square deal in America and that the land in which he lives is worth fighting and dying for. Aid to Europe should be limited to food, fuel, and relief supplies. We should not try to underwrite the fortunes of other nations for years to come. We cannot feed and supply the world without eventually bankrupting ourselves. Should that happen who will there be to help us?

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending section close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. RICH. Mr. Chairman, I object.

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I rise at this time to discuss the amendment that was agreed to this morning by the Committee including Spain under this act. I recommend to the Members that they read the Complacent Dictator, a book by Sir Samuel Hoare, who was the British Ambassador to Spain during the late war. It contains perhaps the sharpest attack ever made on the decency and good faith of the present government of Spain.

The amendment which the majority of the Committee agreed to including Spain under this act, does not bring Spain any closer to participation in the ERP. Spain must still enter the fellowship of the CEEC. It still must establish itself on the basis of comity and cooperation with the democratic nations of Europe. It still must qualify for aid in an agreement negotiated under the authority of this act by the Secretary of State in consultation with the Administrator. This act cannot force the President or the Secretary of State to act with respect to Spain until they are ready to act.

The President's power to send and receive Ambassadors is a constitutional power that belongs to him and it is still paramount regardless of what you write into this act.

This act cannot force the democratic nations of Europe to take Spain to their hearts any sooner than the day that Spain by self-action shows that it deserves their confidence. In other words, the amendment does nothing for Spain except to give her an unearned pat on the shoulder. Spain will have to go through all of the steps to qualify as a member of the ERP that she would have had to go through if this amendment had not been agreed to.

The amendment including Spain does nothing for the democratic forces of Europe but rather gives them an unearned rebuke. It does nothing to control the forces of communism, but does, quite the contrary, provide them with a new and effective weapon to use on the political battlefield of Europe. That is what you are doing here.

We are waging a political battle. The Committee of the Whole has just handed a very powerful weapon to the Communist forces of Europe in passing this amendment. The Committee's vote has given the Communists in Italy a new talking point in their campaign to lead the people of Italy back into totalitarianism.

Mr. COLMER. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Mississippi.

Mr. COLMER. I want to make an observation that seems to me appropriate, which is raised by implication at least of the action taken this morning. Suppose now, the House having placed Spain in this program, the Senate should not go along with us and the amendment is taken out. Certainly the repercussions in Spain and those sympathetic with the cause of Spain would certainly be very, very bad. Personally I am inclined to think it is all right to have Spain in here, although I do not know about that. It may be the proper thing. But I think it was very unfortunate that this matter was not fully considered here this morning but rather was cut off with a few minutes' debate, because I can see where you would have some very bad reaction.

Mrs. DOUGLAS. I thank the gentleman for his contribution, and I agree with him that it is very unfortunate that this critical issue was voted on without debate.

Mr. BLOOM. Mr. Chairman, if the gentlewoman will yield, the Republican Party voted almost unanimously to put Spain in this bill, so I do not see how we

can change it very well since they are the majority party.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Chairman, twice in our generation we have fought two World Wars. We won the first one at a cost of $31,000,000,000 and 334,000 casualties, with a debt of $26,000,000,000 heaped upon our backs. Following the armistice in November 1918, we fed and clothed not only our Allies in that war, the Belgians and others, but even our defeated enemies, the Germans and the Austrians. More than $15,000,000,000 we loaned foreign nations following World War I, have never been paid. Little Finland is the only country ever to pay a dime. We have won this recent global conflict at an enormous price. In fact, it was two wars, one in Asia and one in Europe; one in the Atlantic and the other in the Pacific, at the tremendous cost of $340,000,000,000 and with a staggering, stupendous, astronomical, incomprehensible debt of $258,000,000,000 at this very hour. We suffered over 1,061,000 casualties. During the conflict we fed, clothed, and equipped not only the 12,000,000 men and women in our own armed services, but we gave over $31,000,000,000 to our British ally, more than $11,000,000,000 to Soviet Russia, three and one-third billions to France, one and one-half billions to Italy, and more than three and one-third billions to others, or a total of $50,000,000,000.

We gave in lend-lease during the conflict and since May 1945, since VE-day, we have extended in credits, loans, and gifts more than $23,000,000,000 to foreign countries. I ask you, in the name of God, when are we going to call a halt? We have depleted many of our natural resources. We have exhausted some. Many of our oil wells are dry. We suffer acute shortages of steel, lead, zinc, copper, and other strategic minerals. Since the middle of January, I have been chairman of a special committee to study oil and petroleum for our armed services. We have about enough supply to conduct a major war for 2 weeks. You pass this Marshall plan and soon you will not be buying gasoline, and your mama will find she cannot get nylons, too. Clothing will be scarce and everything more expensive. Today you can take $10 and go to a grocery store and carry all you buy in your hat, even if you wear a six and seven-eighths. You pass this bill and watch the economic repercussions upon the American people. It will all but wreck our domestic economy. Exports abroad raise prices at home.

I know that we have been whipped up into this frenzy by senseless and ceaseless propaganda. God knows, they have appealed to every instinct of humanity in order to cram this program down our throats. They started out first by appealing to our philanthropic impulses and humanitarian instincts—the big-hearted, soft-headed Americans, who do not want anyone to suffer, who always, in time of peace or war, send relief to the poor and distressed all over the world, whether caused by an earthquake in Chile or a typhoon in Japan; our American Red Cross taking medicine, food, and clothing to those who have suffered any disaster; the Rockefeller Foundation spending millions upon millions of dollars building hospitals, asylums, orphanages, and schools all over the world; CARE, friendship trains, our Christian churches of every denomination carrying out missions of mercy in many lands.

The United States has been the most considerate, helpful, and generous nation on earth, and if we have a single friend left I do not know where it is. We are wooed only for our dollars. Last time we were called "Uncle Shylock," now we are "Uncle Sap." If we really want to stop communism we should spend half the funds for the Marshall plan in building up our armed forces until the United Nations becomes firmly established with an international police force strong enough to carry out its decisions under law and order. We could then work for universal disarmament, establish a just and lasting peace, and win for ourselves the respect of mankind.

Mr. Chairman, I repeat what I said months ago in discussing this measure. Friendship that has to be purchased is not worth having. It cannot be trusted. You do not make people your friends by lending them money. The more you give them the more they want, and they will rise to curse you for not giving them more.

We have only about 6 percent of the world's population, 7 percent of the world's area, and we produce 12 percent of the world's food, yet every nation on the face of God's earth looks to America to feed, clothe, and help take care of them. What silly idiots we are. I know, of course, that the backers of this bill first appealed to our humanity because we are all possessed of that. No one wants to see his neighbor or even persons in distant lands suffer or starve. But there is a limit to our capacity to help others.

We know that appeal failed, the arguments from a philanthropic and humanitarian point of view. When it was admitted that this was not a relief bill but a war measure, then what did you appeal to? You appealed to that powerful human instinct of fear. Scare the people to death, picture Boston, New York, Philadelphia, and Washington being shelled and bombed by the Greek Navy, the Bulgarian hordes ranging over the plains of Texas, Russian submarines off the coast of California, Japan and Germany, prostrate, not even able to stand up on their own feet, attacking Detroit and Chicago the next day. Russia, with an economy that is unsound and that is very bad, with a low standard of living, in spite of all her potential power and possibilities, is having difficulty in keeping her own people held together. It is only her foreign conquests that divert their attention from their own misery.

After appealing to humanitarianism and employing the psychology of fear the sponsors of this movement to give America away brought in the third argument, and they are getting it from some fat Republicans, I am sorry to say. I mean selfish greed, and profit motive. Dollars come before human life. More munitions millionaires must be made. We have to have the Marshall plan in order to have exports and enjoy prosperity artificially created by giving away to other peoples and creating a scarcity at home in order to keep our own people employed. I do not think we need to listen to that argument long. Last year, in 1947, we exported $14,500,000,000 worth of goods and commodities and imported $5,500,000,000 worth. We had a $9,000,000,000 balance against us. Everyone knows we are not producing enough at home today to meet our domestic demands.

You want to fight inflation. Well, you pass this bill and you absolutely set inflation on fire that will consume this country, bankrupt it, and I think will lead to the loss of our liberties, because the President was at least forthright and frank and honest in January. Harry Truman stood there and told you and me that if we passed the Marshall plan we would have to restore rationing and controls and his wartime powers. Do you want it? Maybe it is not popular to oppose this measure, but the truth has not been told. A lot of you have been scared and frightened. I am almost ashamed of my own party. I pray to God that whoever is elected President this coming November, regardless of what ticket he is on, will love the United States of America as much as Joe Stalin loves Soviet Russia or Winston Churchill loves the British Empire.

The gentleman from Nebraska [Mr. BUFFETT] lamented a few days ago that often he had to stand alone. I served in this House when we had only 89 Republicans. I used to walk around the Capitol and pinch myself to get up courage to stand in this well and denounce communism, 15 years ago, when it was unpopular to do so.

I do not respect these recent converts, these Johnny-come-lately's who finally have decided that communism is bad. I fought it, but I do not think war with any people is inevitable. I think we ought to turn our attention to the paths of peace.

Ralph Waldo Emerson, one of the greatest philosophers and profoundest thinkers that this country ever had, once said, "To be great is to be alone." So do not worry, Howard, if you are alone. Martin Luther was alone, when he nailed the 95 theses on the cathedral door and said, "Here I stand; I can do no other; God help me." Savonarola and Huss were very much alone when they were burned at the stake. The Father of our country, George Washington, was alone when he fell on his knees in the snow at Valley Forge and implored the help of Divine Providence to take care of his half-starved, half-naked Army. Abraham Lincoln in the darkest hour of the Civil War, when this Nation was threatened with disruption and division, through that fratricidal strife, said, "Often I have been driven to my knees

because I had nowhere else to go, my own wisdom and that of all those around me proving insufficient for the day." Lincoln was alone. And the Son of God, the God-Man whose crucifixion only a few days ago we commemorated—He was alone. The week before His death He had entered Jerusalem triumphantly with children strewing palms in His path. I have seen that pageant on two occasions myself, once last year and once 25 years ago. But when they nailed Him to the cross between two thieves at Golgotha on Calvary, He cried out in His mortal anguish: "My God, my God, why hast Thou forsaken Me?" That carpenter from Nazareth was very much alone. "To be great is to be alone."

The CHAIRMAN. The time of the gentleman from Missouri has expired.

THE IRONY OF SPAIN'S INCLUSION

Mr. CELLER. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, the inclusion of Franco's Spain in this bill is indeed a strange procedure. Limiting the discussion on the amendment, to my mind, was shabby. Even the 16 nations in ERP never asked for the inclusion of Fascist Spain. We easily forget, or at least those who voted for Spain's inclusion in this amendment easily forget, that Spain was a listening post for the Axis during the war. Franco and his cohorts were responsible for the death of thousands of our sailors and merchantmen during the war. Axis agents in Spain watched the approach of our ships and other Allied ships passing Gibraltar and made known the movements of those ships to commanders of German submarines. Vast tons of shipping went down to the depths of the sea because of the aid that Franco gave to Hitler and to Mussolini. Are we to forget that now and give all this aid to our enemy? And Franco was our enemy, and still is our enemy.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MITCHELL. Does the gentleman from New York agree that Italy should be in this bill?

Mr. CELLER. Italy is in an entirely different category. Italy is a conquered province, as it were. Italy, after Mussolini's downfall, entered the war on our side. Its government is no longer Fascist. Franco's government was and still is Fascist. For that reason, I would include Italy in this bill.

Mr. MITCHELL. And Germany, too?

Mr. CELLER. That is entirely different, and I am not discussing that. Italy and Germany are utterly and woefully different. We are endeavoring to rehabilitate the 16 nations mentioned in this bill.

Mr. MITCHELL. But they were actively engaged as our enemies.

Mr. CELLER. Just a moment. Germany is not included in ERP. It is included only in the Army Military Establishment budget. That is quite different. Germany is treated as occupied territory. I do not yield further.

The inclusion of Spain is the reward for treachery and infamy. It is an encouragement to the avowed enemies of democracy. Spain has been repudiated by the United Nations. It has been refused entrance into the United Nations.

The effect upon the Italian elections will be catastrophic. It is a body blow to Socialists and Liberals in Italy. You frighten them. Whither shall they go? It will be a tonic to the Communists. They will rightfully say in Italy, "See how the great America gives aid and comfort to the Fascists. See how the United States deserts us Liberals." To me, communism anywhere and everywhere; to me, fascism in Italy, fascism in Argentina, and fascism in Spain are all alike, an anathema. I want no truck with either communism or fascism.

Fascist Spain rendered and continues to render disservice to democracy. You make it mighty difficult for me to vote for ERP when you include aid to Fascist Spain. I hope better counsels will prevail before we will have concluded the consideration of this bill, to the end that a separate vote will be asked in the House on the Spain amendment and it is hoped the provision will be deleted from the bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, there will be a lot said about the inclusion of Spain in ERP. There will be a lot said because there is no country and there are no people that the international Communists hate more than the people and the country of Spain. They have every reason to hate and despise the people of Spain. The reason is simply that according to the Communist blueprint, Spain was destined to be the second Soviet nation of the world. But the Spanish people instead drove the Communists out.

Look at all the international gangsters that are causing us trouble today. Clement Gottwald, of Czechoslovakia; Marshal Tito, of Yugoslavia; Dimitrov, the dictator and butcher of Bulgaria. Day before yesterday, Luigi Lango made a statement in Italy that if the Communists did not win the election in Italy, "We will take Italy by force." Who are these international gangsters? They are the men who, in 1936 and 1937, were the leaders of the Communists in Spain, and who were responsible for the civil war that cost the Spanish people 500,000 dead.

The Spanish people drove out Dimitroff, they drove out Tito, they drove out Longo. Can you understand, therefore, why there is such bitter hatred against Spain on the part of the Communists?

Oh, yes. The statement was made here that it is a rebuke to the 16 nations of Europe because they did not invite Spain. Examine your conscience, ladies and gentlemen. Do you think it was right for the 16 nations of Europe to invite Stalin to participate in taking some of this Marshall plan money? Do you think it was right for the 16 nations of Europe to invite the Butcher of Yugoslavia, Tito, to help himself to this Marshall plan money. They invited every one of the countries behind the iron curtain, every one of the satellite countries. Did they ask Russia and her satellites to change their government before they could participate in this plan? They did not. They did not meddle in their internal affairs.

Then, why, in the name of God, should the 16 nations which responded to the invitation, demand different requirements of Spain? Why not treat Spain as an equal? A lot has been said about the cooperation that Spain gave the enemy. I am going to quote you from Wartime Mission in Spain, written by whom? Written by an American who ought to know; written by Ambassador Hayes, who was in Spain at the time and knew what was going on in Spain. I am going to read you from his book. Here is what he said:

> Spain showed a friendly attitude toward and support of Portugal during the conversations regarding Allied bases in the Azores, at the risk of German reprisals against Portugal involving Spain.

When we took over the Azores for the purpose of landing our troops in Africa, when the President of the United States decided that we were going to land troops in Africa by way of the Azores, he corresponded with General Franco about the plan and ultimately gave him notice before we were starting landing our troops in Africa. Franco knew about it, but Hitler did not. Is this not evidence enough to prove Spain's friendly neutrality?

Let me point out something else for the RECORD in the matter of alleged help given by Spain to the enemy. I quote from his book:

> Friendly attitude toward and support of Portugal during the conversations regarding Allied bases in the Azores at the risk of German reprisals against Portugal involving Spain.
>
> Spain's unwillingness to allow Japan to raise the status of its legation in Madrid to that of an embassy. (Note 30.443, Archives of the Ministry of Foreign Affairs.)
>
> De facto recognition of the French Provisional Government in Algiers. (See Carlton J. H. Hayes, Wartime Mission in Spain.)
>
> Allowed French combatants to cross Spanish territory to join Free-French forces in north Africa despite German protests. (Notes Nos. 2626 of November 10, 1943, 2689 of November 16, 1943, and 2759 of November 30, 1943, Archives of the Foreign Ministry, Madrid.)
>
> Refusal to recognize Mussolini's republican government in northern Italy.
>
> Refusal to name a minister accredited to the Hungarian Government of Szalazy. (Notes of Diechoff-Jordana Conversations, 1943-44.)
>
> Facilities offered by Spain for the relief of refugees, particularly that of Sephardite Jews. (See Hayes, Wartime Mission in Spain.)
>
> Allowed several hundred American fliers to return to their bases after crashing or forced-landings in Spain. (See Hayes, Wartime Mission in Spain.)
>
> Allowed the Air Transport Command to use Spanish airfields. (See International Air Transport Agreement, December 2, 1944, and Protocol of February 19, 1945.)
>
> Allowed Allied claim to Italian ships interned in Spanish ports and purchased from the Italian Government by Spain, also allowed Allied protests concerning German ships in peninsular ports.
>
> Broke off diplomatic relations with Japan, April 12, 1945, that is, before Soviet Russia.
>
> The facilities given the Allies for their information and espionage services. (See Hayes, Wartime Mission in Spain.)

Allowed Allied missions to organize propaganda services.

Spain's commercial relations with and exports to the Allied nations were by far greater than with the Axis. The figures are as follows, in thousands of gold pesetas, for years 1939–45:

	Axis	United Nations
Class I. Mineral ores	84.890	401.511
Class II. Wood and other vegetable matter for manufacture	43.764	46.956
Class III. Animals and leavings	49.137	58.857
Class IV. Metals and metal manufactures	62.770	1.602
Class V. Machinery, vehicles	522	1.029
Class VI. Chemical products	70.874	96.821
Class VII. Paper and paper products	44	249
Class VIII. Cotton and manufactures	749	11.663
Class IX. Flax, jute, and other textiles	119	272
Class X. Wool and woolen goods	44.076	25.909
Class XI. Silk, etc	51	3.654
Class XII. Food	450.456	596.815
Class XIII. Various	1.137	604
Total	808.589	1.246.002

Balance in favor of United Nations, 437.413.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. O'KONSKI. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. KEE. Mr. Chairman, I object.

THE BEVIN PLAN?

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just wanted to call attention to the fact that there is still a United States of America to be considered.

It seems to me that for the last hour or two Members have been rambling all over Europe fighting Europe's battles.

Members are disturbed over this measure as I have never seen them disturbed before.

I have never seen such suffering in the spirit as Members of this House are going through today, because of the uncertainty and the magnitude of the danger to this country which this measure contains.

If you could take a secret ballot in this House, this measure would not get 50 votes.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. VORYS. Where does the gentleman get that stuff, if this were on a secret ballot? Where does he get that idea?

Mr. RANKIN. I would expect the gentleman from Ohio to ask such a question——

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I know where the gentleman gets it. He gets it from talking to the Members.

Mr. RANKIN. Yes, I get it from the Members. We have so many wild-eyed internationalists and ex-missionaries on this Foreign Affairs Committee that it is a hard matter for them to understand the sentiment of those of us who really go back to the grass roots and represent the American people.

I say again, if you were to take a secret vote on this measure, it would not get 50 votes in the House.

I will tell you where your propaganda came from.

One of the main objects of this drive is to keep open the commercial life line of the decadent British Empire. Read that article which I inserted in the RECORD on yesterday, taken from Cosmopolitan magazine, on the so-called Bevin plan, which you call the Marshall plan. It is the Bevin plan.

The danger is that this measure may bankrupt the United States or finish bankrupting the United States.

We are in debt now to the extent of $260,000,000,000. The gentleman from Missouri [Mr. SHORT] spoke of all the casualties of the recent war. You have not seen the casualties of that war yet. They are breaking down every day, and will be for the next 25 years. I know from actual experience, because I was chairman of the World War Veterans Committee for 16 years and I know what happened after the last war.

Here you are supporting a measure that threatens to bankrupt the United States of America. For what? Why, to start an experiment on the Marshall plan, or the Truman plan as it was first called. Then it became the Marshall plan. Somebody raised the Pearl Harbor question and they changed it then to the European aid plan. It really started as the Bevin plan.

Now, all we hear is talk about Spain. Members have spent hours talking about Spain, Portugal, and Italy. It would be far more to the point for them to talk about the overburdened taxpayers of America, the people whose Government you may sacrifice by passing this legislation.

If you bankrupt this Government financially you are sure to have a dictatorship.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. REED of New York. Is it not a fact that we are pouring our billions into Great Britain to support a form of government which we are supposed to be fighting and that we are keeping the decent people of England down?

Mr. RANKIN. Why, you talk about a Socialist government, they have a Socialist government in Great Britain now. We had better look out for our own Government. We have done enough for the rest of the world, so we had better begin to look out for the American people.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Carolina.

Mr. DORN. Is it not a fact that Karl Marx said that the first step in communism is socialism, that socialism is incomplete communism?

Mr. RANKIN. Yes. The effort has been going on for years to drag America down economically and to bankrupt her. That is why I say that I am afraid of this step you are taking here today.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. They keep telling us that this will keep us out of war and all that sort of thing; however, we have sent military aid to China, to Turkey and Greece. Is that going to keep us out of war, or has it?

Mr. RANKIN. Certainly not. It is not keeping us out of war; it is likely to drag us into war.

If America wants to be great, let her turn back and assume her moral leadership among the nations of the world by following the policies laid down by Washington and Jefferson of "Peace, commerce, and honest friendship with all nations; entangling alliances with none."

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. VORYS. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 48, noes 61.

So the motion was rejected.

Mr. RICH. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I have been seeking recognition for 25 minutes to speak on this topic, and I feel like this quotation:

> Lord, forgive them, for they know not what they do.

I think that in the discussion of the legislation those are probably the most applicable words that I could express.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I decline to yield to anybody on the Foreign Affairs Committee now, because the committee tried to rule us out who are against the bill, and I am going to get my 5 minutes or bust.

Mr. VORYS. The gentleman has talked every day since we have started.

Mr. RICH. And we are going to talk a whole lot more on this legislation if we could stop its passage, because the committee that brought it in here does not know what the legislation is about. As the gentleman from Mississippi said a moment ago, this bill is going to wreck America. I am going to defend America, and I am going to stand up and convince the people in this audience that this bill is against our national interest if it takes the last ounce of blood in my veins. America first, last, and all the time for me.

I would note vote for this Bevin-plan legislation or the plan of the Committee on Foreign Affairs, for it is not for the good of America or for American interests or for the people of our beloved country. It is only going to wreck America.

Now, let us see what we are doing. We are talking about getting things for the people of America. Yesterday we heard some men complaining about flood control for their districts and mine. They wanted money to help the people back in their districts who have suffered from floods, and then we talked about the catastrophe that happened in In-

diana due to the windstorm, where some of the people of America needed help. We talk about the old people in this country that are in need of some attention. Many other people need assistance, and yet we stand here debating a bill that is going to give everything to the foreign countries of the world. Why not help our own people and our own country? You are only going to be the wreckers, not only of the world, but you are going to be the wreckers of America, and when America is gone, you will have nothing left. You are communizing America instead of hindering it in Europe.

Let me quote to you now the words of Henry J. Taylor as to what will be necessary to send to these foreign countries, an article which appeared in the March Cosmopolitan magazine, if you pass this legislation. We talk about getting things for the American people and keeping down the high cost of living. How are you going to do it when you are going to send all these things to feed Europe.

FORTY-NINE THOUSAND FOUR HUNDRED TRAINS

The Marshall plan now in debate in Congress means—free to Europe—13,200 trainloads of coal, 11,800 trainloads of grains, 10,200 trainloads of meat, 4,900 trainloads of steel in the equivalent of steel ingots, 4,100 trainloads of fats and oils, 3,700 trainloads of sugar, 1,500 trainloads of cotton, 152,000 trucks, 26,000 freight cars, 200 more merchant ships in addition to the 800 we have already given away.

By the way, the President of the United States handed over these ships to these countries, and I should like to know where he got the authority.

Mr. REED of New York. That is 1,500 ships.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman mentions so many trainloads of coal. Our people were freezing during this past winter because they could not get coal, it was so scarce. If they are going to ship coal abroad, what will become of our people?

Mr. RICH. That is the trouble. The Congress is now looking after everybody but America. The first thing you know we will have America wrecked, and then we will not have any country worth living in if we go socialistic or communistic.

Mr. DOUGHTON. We are starting in that direction pretty rapidly.

Mr. RICH. It will be a sad day for America when this bill is passed.

Continuing with this statement:

It means $500,000,000 in free American electrical equipment, everything from powerhouses to punch drills; another $500,000,000 in new American oil refineries and pipe lines; $400,000,000 worth of American steel plants; $2,200,000,000 in oil, gasoline, and grease to be shipped free; $1,200,000,000 in iron and steel. Countless thousands of other items are involved. The shipments would begin at once.

So far only 4 years are included in the plan, and only a part of western Europe. The bill, $17,000,000,000, to be paid by every man and woman who works in America. Other bills that would be set by this pattern: (1) Asia, (2) Latin America, (3) the Middle East, and (4) Indonesia are yet to be heard from.

The shipments will begin at once, and then up go the prices of commodities in this country. Then you talk about why are the people hollering for higher wages. Higher prices are going to come. It is time to stop it. Let the Committee on Foreign Affairs take this bill back into their council and give it a decent burial and save America.

This bill will harm our people, it will do no good to other nations in the long run, and it should not be enacted into law. May God give us wisdom to do the right thing, the honorable means to a peaceful world.

Mr. SEELY-BROWN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe a confused America and possibly a confused Congress are wondering what is the real attitude of the present administration toward those who do not believe in our way of life. This thought is certainly always present in my mind.

This morning on my way to work I listened with much interest to a broadcast of George Reedy over Station WOL at 8 o'clock. I quote one brief paragraph from that broadcast:

Madame Irene Joliot Curie in a public appearance in Boston last night told an audience that the only threat to world peace comes from the United States. Lt. Gov. Arthur Coolidge of Massachusetts denounced her appearance in Boston and charged that her talk was sponsored by subversive organizations and that she is being used by Communists. Well, if I recall correctly the Attorney General, Tom Clark, issued an order permitting her entry at Ellis Island recently after she was being held—apparently on suspicion of this very thing. So if they are going to continue to let these people in and permit them to attack our Government in this manner what can you expect? Tom Clark would do well were he to hurry back from Miami and do something about sending this "friend" back where she finds things more to her liking. We can do without her.

Again I ask, What is the real attitude of the present administration?

Mr. MUHLENBERG. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am not going to take the 5 minutes allotted me. Inspired by the gentleman from Pennsylvania who preceded me, who gave us a quotation to ponder, there is one other that I believe ought to be put into the discussion. In 1787, when there was as much discussion about the proper way in which the United States should carry on under a constitutional government as there is today on the pending bill, Benjamin Franklin said something that should be considered today in a parallel discussion. He said, in reference to the pending Constitution:

The opinion that I have had of its errors, I sacrifice to the public good. I cannot help expressing the wish that every member of this Convention who may still have objections to it would with me on this occasion doubt a little of his own infallibility.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the whole subject of this European aid program is made easy for me by a few simple answers to a few simple questions:

Do we want to save the American form of government?

The answer is "Yes."

Do we want to prevent world war III and keep peace?

The answer by all means is "Yes."

Do we want to strengthen the friends of America throughout the world?

The answer again is "Yes."

If this bill will accomplish even some of these objectives, it is worth while. I am willing to gamble that it will go a long way toward such a goal.

Mr. Chairman, I have listened for 3 or 4 days now to the various angles that have been expressed in the speeches that have been made on this subject. My position is not going to be tied up with some of the mental knots that are apparently breaking the minds of some individuals. To me the issue is crystal clear. I can well recall back in 1939 and 1940 when everybody in the House was worried about the violence which Adolf Hitler and his gangsters were causing all over Europe when government after government was falling, and when all the satellite nations that were next to Nazi Germany were gradually being taken over by force. Members of the House at that time were even more divided than they are today. Today I submit that there is a much more effective effort being made in Europe to change the form of government which the American Nation has always espoused and followed; the form of government that our fathers brought forth upon this continent to establish the Constitution which guaranteed freedom for all men and women who were citizens of this country, regardless of their race, creed, or color; the form of government which establishes this Congress as a sounding board and a place where the duly elected representatives of the people may have an opportunity to speak their minds and reflect the opinions and wishes of the people of the United States. Today the issue, for me at least is, Are we going to continue the American form of government in this country or are we going to put in its place that type of ideology which is today strangling everything behind the iron curtain and is threatening the liberties of millions upon millions of people and threatening their freedom and respectability throughout the world? I say to you that as far as I am concerned, I am going to direct my every action, and I believe the people of my district expect me to direct every action toward the preservation of the greatest Government under the sun. You can count on me going right down the line for America, for the Constitution, and for every other principle that we hold dear in this country. Some have said that the passage of this bill will mean the end of America. Let me tell you that if some of the individuals who get into the Congress are of the same type as the ones who are trying to get into official Italian life and the ones who have taken over Czechoslovakia and other countries, there will not be a Member of this Congress representing his district because he will not be able to be elected. The foreign ideology that will step in will not let the people vote for him. Moreover, there is not a sitting Member that would be allowed to seek

reelection, if Joe Stalin takes over. We will all be detained in some concentration camp. So I say to you if you want direct representation, if you want representatives who are elected by the people to stay in Congress, if you want the American form of government maintained, if you want the three divisions of this Government which Washington and Jefferson and the others of our forefathers who framed the Constitution intended us to have, then our duty is to preserve America and to see that the friends of America are backed up with all the aid that we can possibly give them. By following that policy, I cannot see how we can take any other position but to support every possible effort being made in the world today to preserve freedom and liberty throughout the world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Does the gentleman from New York [Mr. EDWIN ARTHUR HALL] expect to vote for this bill? I thought the gentleman was going to vote for the bill. Anyway, I am going to assume that he is going to vote for it. I am for all these things that he announced he was for, and I am going in exactly the opposite direction. We may meet sometime. I do not know. Maybe the Members of this House have exposed the workings of their minds and felt sorry for themselves, beyond any doubt, as to the advisability of voting for this bill. Many Members have had a terrible time with their conscience, or whatever it is that passes for that. I have had an awfully hard time myself. I made up my mind I was going to vote against it. What bothers me is, you see so many folks talking against it and then saying they are going to vote for it. That is what bothers me. I am trying to figure it out.

I recall my boyhood days when a man used to come around sometimes with a team, sometimes with one horse, and a Democratic wagon—I am nonpartisan in this thing—with a gasoline torch on the back end of it and a banjo under his arm. He used to have a row of bottles with tapeworms in them, and he had some other things inside that I do not know what they were or where he got them. But he sold some medicine—wahoo or swamp root or something. It was guaranteed to cure everything. If he were alive today he could give you a remedy right off the back of his wagon to end war and to preserve democracy throughout the world. But that man had one argument or one point that the advocates of this bill do not have. He guaranteed a cure. The most that the gentlemen on the other side of the Capitol Building have been able to tell us about this is that they hope it may do something to preserve democracy, and they hope that perhaps it may prevent war, while all the time they are furnishing these things which are necessary to carry on war, to those people who like to have war.

When we had the United Nations, they said over there this was a great adventure. You remember that, and the San Francisco Conference and lend-lease. They said it was a great speculation. I have great admiration—no, perhaps I had better not say that—but, anyway, this fellow who sold patent medicines had a little more courage. If he did not have faith, he was a little stronger in his expressions about his remedies than the people who are for this bill. All they say is that it is a calculated risk. I will say it is a calculated risk to the American people, and do not forget it.

What does the bill do for America? Well, it gives to the housewives less food to feed their families. That is one thing it will do. It will give to the housewives an opportunity to pay higher prices for everything they have to buy to feed the husband and children; everything they have to buy to clothe the husband and the children. So the housewives of America should rejoice that our friends on this side are doing so much for them. That is not all. It is giving to the wage earners what? They must have, and we will have throughout the country, increases of wages. What does that mean? It does not mean anything except that the price of everything that is made and sold and used will go up and up. Wages never in the history of the world have caught up with the rising prices that the wage earner has to pay. What is it going to do for the postal employees who are besieging us now for an increase in pay? It is going to make everything they have higher. If we give them the increase they want, they still will not get as much as they are getting today after this thing goes through. What are we going to give the veterans? This is not going to keep us out of war. You remember Churchill said, "Give us the tools and we will do the job." Well, here we are again on the toboggan. "Give us more and more money and we will go to war." Without our money and without our tools, they cannot go to war.

This may sound facetious, but you say—because America always believed in fair play—that we would have to build up Russia in order to have an evenly balanced war on each side. Do you see the point?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 10 minutes.

Mr. DIRKSEN. Mr. Chairman, it is 10 years ago this week that Hitler annexed Austria. It is 10 years ago this week that Great Britain recognized and approved that annexation. It is 10 years ago this week that the Sudeten Germans insisted on some degree of autonomy and planted the seeds of World War II—10 years this week, and part of it 10 years ago today. It has been a pretty disturbing decade since 1938, and we have dislocated the world. It has been a fantastic 10 years since 1938.

In the light of hindsight I believe that World War II might have been avoided. Others may disagree but there was some failure on our part. It is so well-known that in those early days when the forces of Hitler were on the march there was friction and cleavage here. At that time I believe it is safe to say that we were not united for common action and manifestly those who were charged with conducting the foreign policy of this country could not be certain to what extent they might marshal the country behind policies which were firm and calculated enough to convince the dictators that we would not stand idly by and see the rights of innocent people trampled in the dust. I am willing to share whatever responsibility I must bear for that failure. I opposed some things 10 and 11 years ago that I would certainly vote for today. Open confession is good for the soul and I freely confess that I may have been lacking in that degree of courage and vision and conviction on some of those occasions when firm and decisive action might have altered the destiny of the world and of our own country. The inevitable and inexorable result was a costly conflagration that history will measure in terms of blood and treasure. That conflict began 10 years ago this week when World War II was really set into motion and as we commemorate the tenth anniversary of those grave and disastrous events, there is before us a program which in my humble judgment will be a firm venture in the direction of avoiding world war III.

In the light of hindsight I believe that World War II could have been avoided. There was failure, and there was failure on our part, and we must share our guilt. I must share my personal guilt and responsibility because I failed. I voted against many things here 10 and 11 years ago that I would not vote against today. Open confession is good for the soul, and I freely confess to my country and to you that in courage, vision, and in conviction I failed on occasion, and others failed with me; and the inevitable and inexorable result was a costly conflagration that must be measured in terms of blood and treasure. That was 10 years ago this week when World War II was really set into motion, and here we are commemorating the tenth anniversary of those events by consideration of a program which in my humble judgment and in my prayerful hope will be a gesture at least in the direction of seeking to avoid world war III.

If we fail, if we lack the vision, if we lack the courage, the responsibility must be upon our shoulders as well as upon the prime movers who may be abroad; and so I adjure you, Mr. Chairman, let us approach this with a prayerful kind of sense of responsibility because this is epochal and we are making history here.

I hope that another conflict can be avoided. We may call this proposal before us a calculated risk, or a gamble; I care not about the rhetoric involved, if there is an outside hope that we can still avoid another baptism of blood, I will take it, because the next decade is going to be pretty dangerous, what with a storehouse full of atom bombs, what with our most inventive minds dealing

with jet planes and velocities and speeds and greater powers of destruction than ever known before—what an interesting and chimerical decade we are approaching. And that ought to add to our sense of responsibility today.

What have we here? Here is a program that is designed first to bring some relief to people who need relief; second, to bring about economic rehabilitation; and, third, to encompass if we can that evil moving Red shadow, that strange ideology that in the space of 30 years has covered 20 percent of the habitable globe.

Yes. Lenin did his work well and probably 450,000,000 people in all parts of the earth pay testimony to that embalmed body in the Red Square, which is the very symbol of hate. He said that "We must hate," and he was the one that took hate and turned it against the white collar, against human dignity and the divinity of human personality, against everything that is hymbolized and represented by He who came out of the tomb generations ago. Lenin, author of tyrannic hate, and those who share that same evil concept would destroy all this.

Yes, that is what we are fighting and that is what we must accomplish. Call it the three-R program if you want to—relief, rehabilitation, Russia. Through relief, rehabilitation, and the containment of the Soviet Union it is hoped that hope abroad can be re-created, that the will to recover can be stiffened and that a full opportunity to accomplish this will be provided.

As I think of Russia I go back further than Lenin, Stalin, and their associates. I go back to Peter the Great who lived 200 years ago. Send over to the library and get the memoirs of Kuropatkin, the Russian general who was the commander in chief in the Jap-Russo War. There you will find it recorded. You will see there the words of Peter the Great who stated that he who controls the commerce of India will control the destiny of Europe and of the world. Then in the same breath Peter the Great said that we must provoke the people of ancient Persia until finally we move to the Persian Gulf and take over. Who said that? Stalin? Lenin? Peter the Great said it 200 years ago. What a strangely familiar sound that policy of Peter the Great has as we think of Iran today and the ruthless, relentless effort on the part of the Soviet Union to annex another country and liquidate a little more freedom.

There has been no essential modification in the Russian attitude for more than 200 years. Their program has followed a well-determined course and has never been erratic. The only modification has been that the program of today is more expansive, more ambitious, and more menacing than ever before. The only thing is that the flanks have gotten larger. Today the left flank is in the Pacific, the right flank is the Baltic littoral including Finland, Norway, Sweden, Denmark and ultimately Iceland, because Iceland is a possession of Denmark.

There are 10 Communist members in the Icelandic parliament today out of a total membership of 52. So strong were they in their own trade unions that when their government signed a treaty with us for an air base in 1942 the government fell. That is what is involved here. Russia is involved here.

In addition to the containment of the Soviet Union and its concept of tyranny and repression, there must be food, shelter, and clothing for people abroad in whom so much of hope has been destroyed. There must be these vital things to nurture and sustain human energy. These are what Thoreau called the substance of vital heat and vital heat is but another name for human energy.

It was asked on this floor yesterday "Why do they not go to work?" I can give you some hint on this point. I saw a man try to lift an ordinary automobile tire from a machine and I saw him stumble in the effort because he did not have the energy to lift even so small a weight. That is one reason why so many thousands cannot and could not go to work. There is hard work to be done in order to bring about recovery and rehabilitation of their economic structure and to do it properly there must be energy-building foods to sustain physical strength if this work is to be done.

The other phase of this program is rehabilitation. We cannot forever carry the load of economic recovery upon our own backs. It is imperative that we set their productive enterprises in motion and thereby get rid of the burden although it will take a long time. The task will be here not only today and tomorrow but next year and the year thereafter and for a good many years to come. For aught I know we may be embarking upon a 10-year program, but if so, I for one am willing because I believe that freedom—our freedom—is involved.

Reduced to essentials, just what is the problem before us today? Academic as it may sound, the real problem facing mankind is to eliminate war. How fondly we hope that someday we shall reach that state of human perfection where war, the shame of mankind, has been abolished from the earth. I know it is much to hope for but to hope for less would be a confession that there is no such thing as spiritual evolution in the world.

But how can war be avoided and, perhaps, abolished when there is no freedom for so many millions of people who have been deprived of freedom. Physically it can be taken away, but the hope for freedom cannot be stifled, the yearning for freedom cannot be stilled, and so long as there are unfree people and so long as the yearning persists, so long will they endeavor to find escape from those who oppress them and so long there will be conflict and destruction.

The central core of the proposal before us, then, if you agree that war and freedom are still the great issues before mankind, is to preserve freedom where it is still alight even though feeble and, secondly, to retrieve it where it has been liquidated.

The reason for our interest in Italy and Austria, our interest in Spain and Portugal, our interest in Holland and Belgium, our interest in France and Norway, our interest in the Scandinavian countries is to preserve what remains of freedom, and work from that point as a base in retrieving it in those countries where by deceit and brutality and infiltration it has been snuffed as one snuffs out a candle.

That to me seems basic and elementary. If that premise falls, then there would be no purpose for the proposal which is before us. But the premise is basic as every one of you so well knows, and you know also that freedom being an indivisible thing, it is but a question of time until its complete liquidation would be attempted in our own country if the buffer between us and this evil concept of Communist tyranny should fall.

How then shall we go about the achievement of this basic objective in a practical way? Certainly not by running out upon our grave responsibilities here today or tomorrow. Certainly not by sending a despairing message to the Old World that out of the richness and the fullness of a beautiful America we have nothing to spare except a kind word. To you who in good faith will oppose the measure before us let me ask whether it would be keeping freedom alive wherever it still exists and would it be in the interest of retrieving freedom where it has been liquidated by pursuing a smug and selfish course? I am afraid that such a course would be like writing our own epitaph and building our own monument. As surely as we permit freedom with all its implications to die where it yet lives so we invite its destruction in the one remaining citidel where the flame still burns brightly, and that is here in our own blessed country.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Yes; it will cost money. Is there anything good in the world that does not cost something? Not even a precious pink little baby can be born into this world without travail and suffering and pain. What delightful little creatures they are and what an amazing amount of joy and happiness they bring to the household, but they came only because someone was willing to go through pain and sacrifice.

This task cannot be achieved without sacrifice on our part. What would history's estimate of Abraham Lincoln be if, instead of keeping his eye singled to the purpose of freedom, he had been diverted by the truculent editorials of Horace Greeley, by the desertions, the death, the sacrifices, and the debt which was incurred for this Nation. Suppose he had said in the midst of his pursuit of this great idea, "It takes too much sacrifice and costs too much. I cannot pay that price." Suppose he had followed this view and relented in the struggle. History would have remembered him not

as one enshrined in glory but in shame and dishonor.

They say it will bring inflation. It could be, but will we permit the threat of inflation to deflect us from the greatest challenge with which this generation will ever be confronted. Reverting to Lincoln for the moment, the dollar was worth 55 or 58 cents in the Civil War days, prices were high. There were critical shortages. There was inflation then, but thanks be to Providence that none of these things diverted men with stout hearts and rugged minds from their course.

There may be waste. I have no doubt that under this program there will be waste and that we shall lift our voices here in this very well and criticize freely. But can you envision a program devoted to such great objectives and which will assume such proportions that can avoid waste entirely? If it is held to a minimum I shall be satisfied. But here you will be dealing with diverse personalities, with millions of tons of supplies and with billions of dollars, and we can assume at the outset there will be waste, but how much more wasteful is war.

It was said here on yesterday that perhaps some Communists will be fed with the food which is sent under this program. That is entirely possible. It should be remembered that in some of the countries a rationing program is still in effect and it is fair to assume that Communists like others are holders of a ration card. As a matter of fact, under our own rationing system during the war members of the Communist Party in this country were also holders of ration books.

For example, Communist organizers were busily at work among the steel workers and coal-mining areas in the Ruhr area of Germany. Communists were extremely active in the local elections in that area, but the fact is that these men went down into the mines to dig coal and to perform hard work at a time when all emphasis was on the production of coal, and without doubt some of the food which we transported to Germany for distribution among the workers went to Communists and non-Communists alike. The hope is that those who because of economic pressure and hunger and need look in desperation to the promises of the Kremlin for a bit of hope might well be persuaded to look toward this country and its generosity in tangible form and will serve as a weapon in the struggle for freedom and against tyranny.

It was said on yesterday that perhaps we ought to take the money authorized in the pending proposal and use it for the purpose of enlarging and strengthening our Air Corps. I favor strengthening our Air Corps as a part of our security establishment, but let me remind you that no atomic bomb was ever devised which is large enough and powerful enough to bomb out the pangs of hunger and a feeling of desperation. It takes more than a bomb and an airplane to destroy an idea. It would be impossible to build a wall big enough and high enough and thick enough around this hemisphere or around the United States of America to keep out this idea unless we work on all fronts and check the menace which is abroad in the world before it engulfs freedom everywhere and then looks upon this country as the final target in the program to communize the world. We are wrestling with an evil thing which is implemented by hunger, by despair, by blasted hopes and economic devastation, and it is imperative if we are to be successful that the program herein set out for relief and rehabilitation and the containment of the Soviet Union be passed. I hope that we may reverently and prayerfully discharge the responsibility before us and that there can develop such a unity of purpose in this cause that it will succeed in averting and avoiding another conflict. We may fail, but if we do, let our consciences not be charged with the failure of not having tried to retrieve and maintain freedom and thereby yet achieve a stable peace.

The Clerk read as follows:

NATIONAL ADVISORY COUNCIL

SEC. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange, or monetary transactions, there is hereby established the National Advisory Council on International and Financial Problems (hereinafter referred to as the 'Council'), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation."

PUBLIC ADVISORY BOARD

SEC. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed 12 additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in business, labor, agriculture, the professions, and in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

UNITED STATES SPECIAL REPRESENTATIVE ABROAD

SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, the chairmen of the Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Senate Appropriations Committee, and the House Appropriations Committee, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

SPECIAL ECA MISSIONS ABROAD

SEC. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States special representative in Europe. If differences of view are not adjusted by consultation, the matter shall be

referred to the Secretary of State and the Administrator for decision.

(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States special representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

PERSONNEL OUTSIDE UNITED STATES

SEC. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States, the Administrator may—

(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

(b) For the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title until such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator: *Provided, however,* That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be temporarily assigned to duties under this title for the period of 6 months from the date of its enactment. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Amend section 110 (c) by adding a comma after the word "Administrator" in line 6, page 64, and the following: "or, until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, on the basis of such report, he believes such individual is of unquestioned loyalty to the United States, its Constitution, laws, and form of government, and is not now and has never been a member of any organization advocating contrary views."

Mr. JUDD. Mr. Chairman, I think most of the Members were here yesterday when the subject with which this amendment deals was discussed by the gentleman from Georgia [Mr. PACE], the gentleman from South Dakota [Mr. MUNDT], myself, and others. Since then we have worked out and agreed on a formula and on language which I believe will resolve most of the difficulties that have been encountered and the fears that have been widely expressed. I now yield to the gentleman from Georgia to explain the amendment because he originally brought the question up. He was not on the floor when this section of the bill was being read, and I offered it on his behalf before the section had been passed. I might say that this is not a committee amendment, but it has been worked out by a few of us to achieve what I believe is the objective of the overwhelming majority of the Members of the House.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes.

Mr. RAYBURN. Mr. Chairman, it may be true that some few Members know what this amendment contains, but I certainly cannot agree to any limitation of time on an amendment if we do not know what it contains. Therefore, Mr. Chairman, I must object.

Mr. PACE. Mr. Chairman, this question arose yesterday afternoon during the course of debate. If you will look at the last line on page 63 through line 6 of the next page, you will observe that the bill now provides that before any person can be employed under this program, he must be investigated by the Federal Bureau of Investigation and a report thereon must be made to the Secretary of State and the Administrator. The question arose in the minds of many of us, of course, that that did not grant the protection that the Congress wanted. Merely the investigation and filing of the report did not mean that the findings as disclosed by the report would have any influence upon the appointing authorities. Overnight and during the morning I have worked with the committee, and I believe that we have corrected that situation to the satisfaction of all. The distinguished gentleman from Minnesota made the point yesterday that the reason they did not go further in the bill was that they were disturbed over the situation, not wanting the Federal Bureau of Investigation to be in substance the employing agency or to act as a gestapo. You can readily see that if the bill should provide that in all cases where the FBI should indicate anything unfavorable, and if that barred a person from employment, in effect that would make the FBI an employing agency. Therefore, the amendment which is before us, and which the distinguished gentleman from Minnesota offered for me provides that, following the investigation and report the person cannot be employed "until the Secretary of State or the Administrator has certified in writing that, on the basis of such report he believes such individual is of unquestioned loyalty to the United States, its Constitution, laws, and form of government, and is not now and has never been a member of any organization advocating contrary views."

This means the party may not be employed after having been investigated, until the Secretary of State or the Administrator—because they are both authorized under this bill to employ persons, one for the interim period and the other permanently—until the Secretary of State or the Administrator has so certified in writing.

I might stop here to say that in the light of an Executive order making the FBI reports confidential and not available even to committees of Congress, this parenthetical language is added in the amendment "and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs."

So the simple purpose of the amendment, as expressed on the floor yesterday by two members of the committee, reflecting the views of the entire committee, is to make effective the facts disclosed by the FBI investigation.

No member of the committee, I assume on both sides of the aisle, and certainly few, if any, Members of the Congress, want persons employed in this program who are guilty of subversive conduct, who are not loyal, or who are not a safe security risk for our Government. Consequently, you might say that the amendment is no more than to complete the proposal now in the bill, and to carry out the intent, as expressed to me by members of the committee.

That would leave the section providing as follows:

That no person can be employed until he has been investigated, the investigation has been reported, and the employing agency has certified to the fact of his loyalty.

I hope the amendment may have your approval.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire to read a letter from a thoughtful, patriotic father to his daughter. The father is Willard D. Archie, a veteran of both World Wars I and II, and now the editor and publisher of the Shenandoah Sentinel, Shenandoah, Iowa. His daughter is a college student. She has written her dad for advice and counsel. I now read dad's reply, which I feel is worthy of serious and deep thought by every American at this very moment:

ALONG THE BANKS OF THE NISHNA

(By W. D. Archie)

DEAR LOUISE: You wrote and asked me what I thought about our country going to war, and as others seem as interested as you and the girls in your room, will answer it here.

There is now and always will be danger of war. This is a truth so evident that it might be considered trite to repeat it. We have never as yet attained the moral status in this world where we could do without policemen, armies, or having wars to settle differences between individuals and nations.

But you want to know if we are going to have war soon—with Russia. I tell you honestly, frankly, and sincerely, as I have always been with you, that I do not believe we are close to war with Russia or any other nation. Without wiser leadership than we have had for a number of years, our differences with

Russia could arrive at the shooting stage, but it is not in the foreseeable future.

Our country and our citizens, you and I and our friends, must stop thinking about settling present difficulties by war. No one has attacked us. No one has attacked any country. Many nations in history have been subjected to governments unwanted by the people of these countries, but it did not lead to war. Eventually wrongs are righted. When the citizens of a nation are sufficiently oppressed they rise in revolution against the oppressors. We should not engage in wars to insist on any nation choosing any one form of government, whether it be called democracy or dictatorship.

Our President discussed the fall of Czechoslovakia like it was another Pearl Harbor, but it is not such a case. One of our former Presidents made an agreement with Russia allowing them to control the countries adjoining them. They wanted friendly neighbors. This country, Russia, has overstepped the bounds of decency in carrying out their desires, but it was no more than we might have expected. It is certainly not a cause of war. It is more a cause for tears over the fate of a fine nation.

Leaders in Washington ask for universal military training. What they want is a nation strong in arms. As you know I have spent 25 years of my life, nearly half of it, either in the Army, in the Reserves, or National Guard. I, too, favor a strong Army, Navy, and Air Corps. But I have yet to see that universal military training can give it to us. John Henry Martin, former consultant to the joint chiefs of staff, in this issue of Look magazine takes my viewpoint. Universal military training might make us weaker, not stronger. It might help us in a game of bluff with Russia, but this is no time for bluffing.

It is unfortunate we have an Army man as Secretary of State. He will be thinking in terms of arms and armies in carrying out the diplomatic missions, but wiser heads will eventually rule our thinking. We are not heading for war.

Wars seldom come when we are looking for them. They suddenly creep up when one is thought to be unprepared. If Russia is thinking of war they will wait until we have let down our guard and then attack. They will not try a war today, or a year from today, or 2 years.

This is an election year and a crisis is needed to keep the present party in power. I do not accuse them of making wives, mothers, and sweethearts sad and worried just to gain a victory in November. I do know that we have not had a general Presidential election in the past 16 years in which there has not been a crisis of one kind or another. It is a fact one must remember.

Then, too, one must watch for other moves. We have not stopped the selling of war surplus plants or materials. The liquidation of our enormous war machine goes merrily on. Surely some one of the higher-ups in Washington is not worried. There are other such signs one will notice by careful watching.

No, Louise, your dad does not think there is to be a war. Don't worry over it, and reassure your friends. Trouble there has always been, and always will be. "Wars and rumors of wars" will always be with us. We must always be prepared for any eventuality, but I cannot envision us engaged in a war within the next few years.

DAD.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 12 minutes, the last four to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 4 minutes.

Mr. EBERHARTER. Mr. Chairman, as has been explained, the members of the Committee on Foreign Affairs and the gentleman from Georgia [Mr. PACE] have given a good deal of consideration to this amendment which is now before the committee. I notice, however, the very last clause of the amendment reads: "and have never been a member of any organization advocating contrary views."

I am wondering if the members of the committee that gave consideration to this with the gentleman from Georgia have considered the question of what are now known as Communist-front organizations?

The reason I bring that question up, Mr. Chairman, is that we know the Attorney General in recent months has named a number of organizations as Communist-front organizations. As soon as that list became known I think there were many thousands of persons who immediately resigned their membership in those organizations because previous to the time these organizations were named as Communist-front organizations they had no idea whatsoever that the real and secret purposes of the organizations were contrary to our American principles of government.

It seems to me that the language in the amendment goes a little bit too far. There are many liberal-minded people in this country who belonged to such organizations which had very patriotic-sounding names. Those members had the very finest patriotic motives for joining the organization. But later on after investigation those organizations were declared Communist fronts. The way this amendment reads you are just simply closing many of those people out from any possibility of employment. I just want to call that to the attention of the membership. I wonder if they gave consideration to that point?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Georgia.

Mr. PACE. Of course, the gentleman understands I can claim no credit for perfection of the language in the amendment. However, there is no comparable provision in the Senate bill and the entire section must be written in conference.

Mr. EBERHARTER. I was thinking if it provided "has never knowingly been a member of any organization" or something of that kind it would be improved. I hope the committee of conference will give consideration to my thoughts on the subject. We should not forever close the door for the employment of many truly able, loyal, and patriotic Americans who most innocently became members of highly patriotic-sounding organizations which were later found to be fronts for communistically inclined groups.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, those who are friendly to this bill, of course, want it to be practical of administration. There is one part of this language which concerned me very much and that is that no person shall be employed until this has been accomplished. I think that is entirely impractical.

Mr. PACE. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. PACE. If the gentleman proceeds a little further he will find a saving clause at the end of the paragraph.

Mr. CRAWFORD. There is the provision "Provided, however, That any present employee of the Government." I would like to see some new blood put into this organization. I am not so much interested in preserving those who are now on the pay roll as I am in getting some new blood in this organization.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. VORYS. Another amendment to take care of the point the gentleman brings up will be proposed immediately after this amendment is disposed of.

Mr. CRAWFORD. I think that would be constructive.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. DONDERO. Would the pending amendment call for an examination of those now in the employ of the Government that might have this bill under their administration?

Mr. CRAWFORD. I do not think this amendment now being considered calls for that.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. PACE. I think definitely the section as amended would do it, but there is provided a 6-months saving clause during which such an investigation might be carried on.

Mr. DONDERO. It certainly should, after we have listened to the list of names that the gentleman from Georgia [Mr. Cox] cited to the House on yesterday.

Mr. PACE. If the gentleman will read that proviso I think that will cover it.

Mr. CRAWFORD. The provision States:

Provided, however, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be temporarily assigned to duties under this title for the period of 6 months from the date of its enactment. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

If language is to be offered following disposition of this amendment which will take care of the situation and make the whole procedure of administration practical, I do not see any reason why I should take further time of the House to discuss it.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, first of all I should like to congratulate the gentleman from Georgia [Mr. PACE] on having provided what appears to be a very definite improvement in the security aspects of this amendment.

This section of the bill has a very interesting history because it was first written into legislation at the time we passed the so-called post-UNRRA residual aid bill. If I recall correctly, the gentleman from Mississippi [Mr. COLMER] and I were at that time associated in writing that amendment on the floor of the House and having it adopted. Since then it has been incorporated in one form or another in each of the foreign-aid bills passed by this body and in each instance it has been my responsibility and privilege to offer the security screening amendment in committee, defend it in the House, and protect it in the conference committee sessions.

There has been constant controversy over the problem raised by the gentleman from Michigan [Mr. CRAWFORD] as to how to take care of this interim period while men are being first appointed, and the problem raised by the gentleman from Georgia [Mr. PACE] as to how to make sure that the wrong kind of people are not appointed. I think this is the right formula, and I think it will gradually make for greater efficiency and applicability and workability, and certainly I am very eager to support the amendment proposed by the gentleman from Georgia just as he has written it in its present form after consultation with Congressman JUDD and me. I also think that the amendment which the gentleman from Massachusetts [Mr. HERTER] is about to propose will take care of this interim period which is of concern to all of us.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from New York.

Mr. BLOOM. I would like to ask the gentleman this question: According to the proposed amendment under consideration now, if the FBI should give an adverse report, the Secretary of State or the Administrator could ignore that report and keep that individual in employment now.

Mr. MUNDT. No.

Mr. BLOOM. Well, read the amendment and you will see it is absolutely that way in the proposed amendment.

Mr. MUNDT. The amendment says that the Secretary of State or the Administrator must certify in writing on the basis of such report as to the loyalty of these appointees. Now, unless the President is going to appoint Ananias as Secretary of State and the twin brother of Ananias as the Economic Administrator without signing his name to a lie, he cannot so report.

Mr. BLOOM. I did not say that, but notwithstanding the report of the FBI, the Administrator or the Secretary of State can retain that person in employment. There is no question about it.

Mr. MUNDT. No question about it if he wants to lie about it, of course, but that is the only way he can do it. He has to do it on the basis of the report itself.

Mr. PACE. Mr. Chairman, if the gentleman will yield, unless that language is in there, on the contrary there would be no discretion and the FBI would be the first, last, and final voice, which the committee does not want to happen.

Mr. MUNDT. That is right. I am shocked at the fact that the ranking minority member of the Committee on Foreign Affairs would have so little confidence in the Administrator to be appointed by the President of his own party that he thinks he is going to certify his name to such an infamous falsehood.

Mr. BLOOM. I have all the confidence in the Secretary of State and the Administrator, but I have no confidence in this proposed amendment.

Mr. MUNDT. This proposed amendment will give us all more confidence in the Economic Administrator, whoever he is and also in our Secretary of State.

Mr. Chairman, I ask that the amendment be voted on favorably.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The amendment was agreed to.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 64, line 3, strike out the word "until" and substitute therefor the words "for a period to exceed 3 months unless."

Mr. VORYS. Mr. Chairman, if the gentleman will yield, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HERTER. Mr. Chairman, the amendment that I have offered is only a perfecting amendment. Under the paragraph as it now reads you have this ridiculous situation: The Administrator or the Secretary of State cannot appoint any new human being, even his own private secretary, to operate here until and unless the report of the FBI has been made. However, if they do take somebody out of the Government who is serving in the Government today, who has never been investigated, and appoint him they can keep him on the pay roll for 6 months until an investigation is made. The only purpose of this amendment is to make the paragraph administratively workable so that the new Administrator can appoint a staff. He cannot, however, under this amendment retain anybody for a period to exceed 3 months unless these reports have been made by the FBI.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman refer to subparagraph (c) at the bottom of page 63 and read it with his amendment included?

Mr. HERTER. With the amendment it would read as follows:

No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed 3 months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator.

Then would follow the amendment that was adopted a moment ago.

Mr. CRAWFORD. I think that would make it entirely practical of administration and save the day all the way around.

Mr. HERTER. As it stands now it is entirely impractical of administration.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that this is a matter to which former President Hoover called attention in his letter to the Speaker that was read the other day?

Mr. HERTER. I believe it was one of the matters covered.

Mr. VORYS. This amendment would facilitate the obtaining from private business of the type of men we hope will be in this administration.

Mr. HERTER. That is correct. Unless this amendment is adopted, the Administrator cannot possibly hire anybody outside the Government, not even a private secretary.

Mr. VORYS. I hope the amendment is adopted.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. DONDERO. What it does is really reduce it to 90 days, and their employment cannot extend beyond that period until a report on them has been filed and approved.

Mr. HERTER. That is correct.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Does not the gentleman think that the 6 months mentioned in line 10 on page 64 should be changed to 3 months for these old employees?

Mr. HERTER. It would be my impression that it should.

Mr. JOHNSON of Oklahoma. After the gentleman from Georgia presented that list of names here yesterday, I certainly think those fellows should not be given 3 months more than these new employees.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from New Jersey.

Mr. MATHEWS. Does the gentleman's amendment take care of the situation where during that period the FBI cannot or has not completed its investigation, so that the man will not automatically be dropped solely by reason of the failure of the investigation to be made?

Mr. HERTER. I am assuming that the period of 3 months will be sufficient for the investigation to be made. If the FBI cannot make it in that period of time there must be something in the individual's background which would make it worth while to hold him off the pay roll for the time being.

Mr. MATHEWS. The FBI is a very busy organization. There may be some instances in which particular investigations will be held up. I understand that

if that took place, the man would have to go off the pay roll regardless.

Mr. HERTER. I think it would be perfectly possible that the FBI could give a preliminary clearance with the right reserved for further investigation at a later date.

Mr. MATHEWS. In any event, the gentleman's amendment assumes that.

Mr. HERTER. I think so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The amendment was agreed to.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: On page 64, line 10, strike out "six" and insert "three."

Mr. DAVIS of Georgia. Mr. Chairman, this amendment would bring the period of temporary employment under which employees of the Government might be brought into this new organization into the same category as the new appointees, that are taken care of by the amendment of the gentleman from Massachusetts [Mr. HERTER].

With reference to the 6 months' temporary appointment period, I feel that if there should be any disposition on the part of the Administrator, or those who will fill these positions, to place in them such people as those named yesterday by the gentleman from Georgia [Mr. COX], among them being Mr. David Lasser, during a 6 months' period irrevocable and incalculable damage could be done to the people of this country and the economy of this country by what they might do.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. VORYS. A quick canvass of the committee indicates that there is no objection at the majority table to the gentleman's amendment which puts the period in line with the 3 months' period just adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The amendment was agreed to.

The Clerk read as follows:

NATURE AND METHOD OF ASSISTANCE

SEC. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (6) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (79th Cong.) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term "commodity" means any commodity, material, article, merchant vessel authorized to be chartered under paragraph (4) of this subsection, supply, or goods necessary for the purposes of this title.

(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that a substantial portion of the gross tonnage of commodities, procured within United States out of funds made available under this title and transported abroad on dry-cargo ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

(3) Procurement of and furnishing technical information and assistance.

(4) With the approval of the President, placing in operating condition, and, for periods not extending beyond December 31, 1952, chartering to participating countries, not more than 200 dry-cargo merchant vessels owned by the United States and not in operation at the time of charter. If a vessel of the United States is so chartered, its documents as a vessel of the United States shall be surrendered and it shall, during the charter period, be considered as a foreign vessel for the purposes of the navigation- and vessel-inspection laws of the United States. Each charter under this paragraph shall be terminable whenever (i) the President determines that such termination is necessary in the interest of national security or (ii) the Administrator, pursuant to section 118, terminates the provision of assistance to the country to which the vessel is chartered. Any vessel chartered under this paragraph shall engage primarily in the transportation of commodities supplied under this title to the participating countries, and shall not otherwise compete with vessels of the United States on ship routes served by them unless the charter certifies such service to be necessary to maintain adequate service on such routes.

(5) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

(6) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

(1) by establishing accounts against which, under regulations prescribed by the Administrator—

(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of applicable appropriations);

(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator. Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe to assure expenditure in furtherance of the purposes of this title, and such certification shall be binding on the accounting officers of the Government.

(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

(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 title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the amount of such guaranties in the first year after the date of the enactment of this act does not exceed $15,000,000), 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: *Provided*, That, when any payment is made to any person under authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 percent per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph.

(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.

The total amount of the guaranties made under this paragraph (3) shall not exceed $500,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected

under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes issued under authority of paragraph (2) of subsection (c) of this section, which funds shall be obligated for this purpose at the time each such guaranty is made.

(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. For the purpose of carrying out the provisions of this paragraph during the period of 1 year following the date of enactment of this act, and for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section the Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $1,000,000,000. Such notes shall bear such rate of interest as may be determined by the Administrator with the approval of the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized and directed to purchase any notes issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are hereby extended to include such purpose. Payment under this paragraph of the purchase price of such notes shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of 1 year from the date of enactment of this act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

Mr. VORYS. Mr. Chairman, I offer a committee amendment, which is at the Clerk's desk.

Mr. MORRIS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixty Members are present, a quorum.

Mr. VORYS. Mr. Chairman, I offer a committee amendment, which is at the desk.

The Clerk read as follows:

On page 67, lines 20, 21, and 22, delete the words within the parenthesis and insert the following: "*Provided*, That such letters of commitment, when issued, shall constitute contracts of the United States and shall immediately give rise to obligations of applicable appropriations; claims for payment under such letters of commitment shall be assignable; and an amount equivalent to such letters of commitment shall be established in a separate account on the books of the Treasury Department, Division of Disbursement, to be available solely for the payment of such obligations."

Mr. VORYS. Mr. Chairman, I ask unanimous consent that another amendment on the same subject may be considered at the same time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 67, line 25, following the word "countries", insert "or by other persons or organizations."

Mr. VORYS. Mr. Chairman, these two amendments should be considered together. They simply make it clear that the letters of commitment issued under this plan may be available just as Government contracts are, to facilitate private banking, and the participation by private enterprise in this entire undertaking.

Language along this line was in our report and a number of economists and bankers said, "Why don't you express clearly in the language of the bill the intent you have in the report?" This language merely carries that out and is a thoroughly agreed purpose to make possible further participation by private enterprise in the whole plan.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. WHITTEN. In these letters of commitment does the bill provide that they could be canceled in the event a participating country did not carry out its agreements?

Mr. VORYS. Yes. That is not the purpose of the letters of commitment, but the cancellation and termination provision which applies to everything in the bill is in another section.

Mr. WHITTEN. We carried on lend-lease agreements with Russia after the war was over on the basis that we made the contracts and therefore we were stuck.

Mr. VORYS. These are not commitments to any other countries at all. These are procurement commitments, to make available the use of private individuals and private enterprise in the procurement of supplies for this program.

Mr. WHITTEN. That is all true, but it is all tied together, to the end that if you cease shipment to countries abroad you would be bound to carry out the purchase agreements, though you did not plan to send it abroad.

Mr. VORYS. This is not the place in the bill where the termination procedure is set out. That is in section 118, I think.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. VORYS. Will the gentleman yield for me to propound a unanimous-consent request?

Mr. HOFFMAN. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. GOFF. Mr. Chairman, I object.

Mr. HOFFMAN. Mr. Chairman, I do not know too much about this amendment and I do not know too much about this bill, but I do have very definite views about what it will do to our country. I oppose this amendment because it will give us unneeded red tape and unnecessary expense.

The Comptroller General objects to this amendment. The reasons he gives are persuasive. Permit me to give you his views and I most respectfully ask that you pay some attention to his opinion. He writes:

The attention of the Comptroller General has been called to efforts on the part of certain banking interests to have adopted certain amendments to section 111 (b) of the Economic Cooperation Act of 1948, S. 2202, as reported in the House of Representatives. It cannot be too strongly urged that the effort be rejected. It is expected to be directed at either line 22, page 67, or line 10, page 68, of the House reported print of the bill. The purpose of such amendments is understood to be to require the setting aside in the Treasury in individual accounts of funds represented by letters of commitment issued to suppliers doing business under the program.

Paragraph (1) provides for the establishing of accounts against which letters of commitment may be issued in connection with supply programs approved by the Administrator and such letters of commitment, when

issued, are to constitute obligations of applicable appropriations. The proposal that cash accounts be established to which shall be credited the amounts of letters of commitment, when issued, appears to be based on a lack of understanding of, or lack of confidence in established governmental accounting and financial procedures and appears to have for its purpose the singling out of one select group of creditors to be preferred over all other creditors under the economic cooperation program. Such preferred treatment not only appears unnecessary in view of the fact the bill already requires that letters of commitment shall constitute obligations of applicable appropriations, but is extremely objectionable for at least the following reasons:

Now, these are the reasons of the Comptroller General:

1. The proposed amendment would set a most undesirable precedent and might be subject to the interpretation that it required actual funding of individual liabilities of the Government—in effect, a separate little appropriation for every little transaction in which the Government engages. But it should be noted that there would be no more guarantee against the Administrator issuing letters of commitment in excess of available funds under the procedure proposed than under that already provided by the bill. For example, the sponsors of this amendment apparently are fearful that the Administrator will, in some way, use his funds in such a manner that it will be impossible to honor the letters of commitment. However, if the Administrator could not be relied upon and if the accounting system to be established and usually used by the Government should fail to prevent diversion of funds already obligated by the letters of commitment, neither would the proposed language prevent such an eventuality.

2. The adoption of the proposed amendment would give rise to highly objectionable degree of inflexibility in the operation of the program. "Red tape" would be increased, not diminished. No businessman sets up a separate bank account for each bill he owes. If the Government is to do it here in this case, where will we stop?

3. The whole system of fiscal administration under the program would be cluttered up by unnecessary accounts and documents which would add to the burdens and costs of the administration as well as those of Treasury and GAO.

There you have it, there is your Comptroller General.

Now I ask the attention of the gentlemen of the Committee. Instead of going along with these bankers and compelling the Government to set up a separate account for every item why not safeguard expenditures under the general regulations that the Comptroller General and the accounting departments approve.

This came to our committee. I was asked to present it. It seems to be a good amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 47, noes 71.

So the amendment was rejected.

Mr. JOHNSON of California. Mr. Chairman, depending upon the assumption that the various Members may make will be their decisions as to what to do with this bill, I assume that the world today is closely knit together; is very explosive, has made tremendous scientific advances in rapid transit, in the making of new weapons, and so forth. Therefore, I also assume that in any war which may break out the United States will become involved. To me, such a thing might be a catastrophe beyond description.

It is for that reason that my obsession is that we must find a way to have peace or the civilized people of the world may destroy themselves. The vehicle which will bring that about, in my opinion, is some type of collective security. The progress since the end of the war has been practically nil, largely through the obstruction of one of the major Allies, and also perhaps through the ineptness of our own program.

Sometimes events of the past, even though minor ones, give an indication of what method may be used to solve a current problem. About 100 years ago, following the gold rush to California, there was a break-down of law and order in San Francisco. Adventurers and criminals had migrated to the city. There was a semblance of law and order as there was a constituted government. However, it was so weak and in places so corrupt that the decent law-abiding citizen was given scant consideration. The result was that the law broke down, anarchy and crime became prevalent. It became so bad that the decent law-abiding people of the community who believed in law and order and decency finally organized. To accomplish their results which were the stability of the government and the maintenance of law and order, they organized a Vigilante Committee and did a few rather rash and arbitrary things. However, they organized thoroughly, they swept out of office the weak or crooked public officials. They made it understood beyond any question of a doubt that they were going to have law and order if they had to fight for it. The result was that the criminals, the crooks, the grafters hunted cover; law and order were restored, and peace reigned in fitful San Francisco. That incident, to me, has significance today.

In my humble opinion international law has broken down. International ethics, morals, and decency have deteriorated. Agreements which we and our allies made, having for their purpose the rebirth and the rehabilitation of devastated countries have been disregarded and specifically violated. The very legal basis on which we hope to rebuild the world on a peaceful basis has collapsed. Therefore, I look upon this bill as an effort to organize the International Vigilantes of 1948 to restore law and order in accordance with the pattern laid down by the United Nations of which we were the dominant nation, in writing its basic charter. It was thoroughly understood that the smaller nations of Europe who had been overrun, whose property had been destroyed, whose people had been pushed out of their homeland were to be allowed to select a government of their own choice. This provision was entirely disregarded by one of the belligerents which helped win the war. My prediction is that if we are able to unite 16 nations of Europe with us in a determination that the rules of the game to which we agreed and to which our major allies subscribed shall be obeyed then the Soviets will stop their course of infiltration and penetration. We have the strength, we have the ability, we have the resources, we have the economic capacity, I believe we have the military potential, to meet any antagonist on the field of battle and come out the victor, even though in doing so we might permanently injure ourselves. This is the vehicle which we must use to bring those who are now flaunting the agreements they made, who are violating international law, to bring them to their senses. I predict and I believe that when these nations plus our Nation plus the Western Hemisphere show a determination that they will have law and order that justice will prevail, that the small nations shall have the right to select their own governments, and the determination that if necessary we will fight for these principles that that will bring about the agreements and compromises that will start the making of the peace. That is the issue as I see it. While this bill awes one and frightens one because of its magnitude in wealth and sacrifice that our people must make, it seems to me it is a gamble that we must take in the name of peace. And a firm and just stand will in my opinion reduce the situation to one of negotiation and agreement and compromise that will help lay the groundwork for a peace which we all hope will be lasting.

There is another collateral matter that I would like to briefly discuss here this morning.

It seems to me that there has been entirely too much talk about communism. We are becoming hysterical over the subject. We are getting our people into such a state of frenzy that we are likely to generate a war hysteria that might lead to something that we are not looking for. The issue as I see it before the country is not communism, although that is a collateral issue. The issue as I see it is the question of whether or not those who joined with us to create the United Nations and bring us collective security are willing to abide by the agreement that they made. I was frankly sorry to hear the President discuss this matter and dwell so much upon communism and what one particular nation was doing. Under the law of self-determination, which has been a policy among the nations of the world for a long time, a nation may have any type of political structure that it wishes, including communism. We cannot fathom why anyone should select such a system, but so long as a nation does not interfere with the rights of its neighbors it is entitled to any type of political organization that it wishes. What we must make plain is that we are not driving at the ideology of any country. We must also make it more emphatic that what we are trying to bring about is the sanctity and the enforcement and the recognition of the agreements that were made by the Allies, including Russia. It is obvious to any casual reader of the daily newspapers that the agreement which was made permitting the devastated countries to have a free choice of the type of government that they wished to have has been com-

pletely violated. We apparently stood on the sidelines in the early stages of this penetration and did very little about it. Up to the present time, up to a dozen countries have had governments selected for them. They have not had free elections in any sense of the term. It seems clear in the case of some that they do not and did not want the government that they finally got. However, by penetration, by coercion, by underhanded political methods, not condoned in our country or any representative country in the world, one large power has dictated to these small countries the government they should have.

Furthermore, the agreement that we made regarding self-determination and the selection of the type of government that a country wishes to have has been violated in another direction. It is that after a would-be election had been held the one who produced the mechanism which brought about the so-called "selected government" for the particular nation continues to dominate that country through its political mechanism. You know that the officers of Poland and Czechoslovakia, to mention merely two of these countries, are not the free agents and the independent representatives and officials of the countries involved. They are dominated and domineered from a distance by a larger and more powerful nation. To me, that is the thing that should be emphasized to our people and to the world. That is the very basis on which any international organization which will give us collective security must be based. If the country which violates that principle does so, as it has done already, and continues to do so, we must look forward to the inability of the United Nations to be anything more than a debating society. When that becomes obvious I think that our Nation should take the leadership in organizing another type of international organization. Let us unite the countries in the Western Hemisphere, let us join with those in Asia who wish to work with us, let us take those in Europe who wish to join with us, and make an organization strong enough to maintain the peace of the world by means of collective security and collective agreements.

It is not primarily communism we are after, it is primarily the rule and the reign of law that we wish to reinstate, strengthen, and make binding upon the nations of the world. That is the road to peace; that is why I believe that this bill should be passed. Of course, it has uncertainties; of course, there will be doubts about what can happen; it may even fail, but I think it points the way in the right direction. Our own Government started with a very gloomy outlook. We created one system of government, we discarded it and created another one, and even it, after 70 years of trial and error, finally found it necessary to fight a Civil War before we became a united and inseparable Nation. There are no easy ways to peace, but we certainly cannot drift into peace. We must take positive, affirmative, aggressive action to bring it about. It is just as essential to take positive action to bring peace as it was to take positive action to win the war. This bill, in my humble judgment, offers us the chance to do exactly that.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On pages 65 and 66 strike out all of subsection (4).

Mr. COLMER. Mr. Chairman, this is a very important amendment and I hope that those of us who are sponsoring it may have your attention during its consideration. This matter of turning these ships over to foreign flags, historically, I may say, was provided in the original bill that was sent up here to the Hill by the State Department, at which time it was provided that 500 of our merchant ships be turned over. In the other body the 500-ship provision was stricken when that body considered this measure.

As the bill comes to you from the House committee it provides for 200 of these ships to be turned over to foreign flags ostensibly for the purpose of carrying this produce over to participating countries. In the committee some of us attempted unsuccessfully to keep this provision out of the bill. We did not succeed there. So you and the Committee of the Whole have the opportunity and the responsibility of passing upon this question as to whether or not in addition to your $6,000,000,000 initial provision here you are going to turn over 200 of your merchant ships to foreign flags in which to transport these products over there.

The argument is going to be made here as it has been made elsewhere, that it is economical to turn these ships over to the foreign flags because they can operate more economically than we can operate them under the American flag.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Indiana.

Mr. HALLECK. I have just looked at the language in the bill and the language used there has reference to the chartering of vessels. Does the gentleman understand that that is the equivalent of turning them over?

Mr. COLMER. Certainly I do. There is provision made for the recalling of them, but once you turn them over to them you will never get them back. We have had experience in this field before. Now, they say they can operate them more economically. Let us see what is going to happen. In this country today we are building practically no ships for our merchant marine. As a matter of fact, I make the statement here now that more than 60 percent of all the commercial ships that are being constructed in the United States are being constructed in my little home town of Pascagoula, Miss. Those ships are not being constructed for the American flag; they are being constructed for the South American flags. What do you propose to do? Turn over these ships. For what purpose? So that they may be chartered and sailed under foreign flags. What happens? The argument is made that these ships are idle, that they are tied up, that they are rusting, and that it does not amount to anything anyway. My friends, when you turn these ships over to the foreign trade, it gives these foreign countries an additional advantage, in addition to the one that they already have in the way of substandard living conditions on these ships and the manning of these ships, because they are going to take your trade away from you. And then when you do get your merchant fleet back, if you ever do, when this thing is all over, they will have the trade, and this country and our merchant marine will suffer. Immediately after the war, when the Postwar Policy Committee was in Europe, a committee consisting of the gentleman from New Jersey [Mr. WOLVERTON], the gentleman from Michigan [Mr. WOLCOTT], and other Members—I do not have the time to mention them all—when we were there we talked with these foreign powers about taking over these ships.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I am not going to object to this particular request, but I made this reservation in order to make this suggestion. There is asserted much reason for the expeditious consideration of this matter. Certainly no one wants to cut off proper debate, but I think that we should hereafter proceed on the proposition that 5 minutes will be granted to anyone who offers an amendment, and that extensions beyond that time shall not be granted.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Chairman, I was observing that when this representative group from this House was over there after the cessation of hostilities, we talked with a number of the leaders in these countries about buying some of these ships from us, and they said they were not interested in buying these ships because they were not economical to operate. But, now they will take them over. They will take them over and operate them now if we give them to them. Remember, you are turning them over to them in addition to this $6,000,000,000. The ways of Great Britain, Sweden, and these other countries are virtually bustling beehives today building ships, and yet we are turning our ships over to them, to the injury of our merchant marine. The distinguished gentlemen who head the committees on merchant marine on both sides of this House have given consideration to this matter, and they are opposed to it. The distinguished gentleman from Virginia [Mr. BLAND], the father of the modern merchant marine, is opposed to this provision of the bill. The chairman of the subcommittee, the gentleman from California [Mr. BRADLEY], is opposed to it. The Maritime Commission is opposed to it. Your shipping circles are opposed to it, and everybody who understands this situation is opposed to this provision of the bill.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Will the gentleman state for the benefit of the House the number of ships that have already been transferred to foreign flags?

Mr. COLMER. I have an idea that it is in the neighborhood of 1,200; but I yield to the distinguished gentleman from Louisiana, who has always exhibited such a keen interest in our merchant marine and who rendered such a splendid and patriotic service with it in the recent war, to answer his own question.

Mr. BOGGS of Louisiana. Fifteen hundred.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

Mr. WELCH and Mr. BOGGS of Louisiana objected.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 45 minutes.

Mr. MILLER of Connecticut. I object, Mr. Chairman.

Mr. VORYS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 45 minutes.

The CHAIRMAN. The question is on the motion.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 94, noes 75.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MALONEY].

Mr. MALONEY. Mr. Chairman, Congress has already acted upon the proposal to charter American merchant ships to foreign nations. Therefore, it is incongruous to me that we should wish to belabor the matter further, in effect holding up speedy action on the entire foreign-assistance program.

I, personally, have examined the arguments pro and con with respect to the proposal to charter 200 American merchant vessels to the foreign nations who are to participate in the foreign-assistance program. Any thorough-going examination of the facts should convince Members of Congress that no more American ships should be transferred in any manner to foreign nations.

The United States Maritime Commission, in an exhaustive study of the matter, declares that the merchant fleets of the 16 nations are already completely rehabilitated.

Many are already forgetting the important and vital role played by our American merchant marine in the recent war. We are not yet at peace, and every day the international situation grows more serious. Throughout the last war our military leaders continually reminded us of the urgent need for merchant ships, and more merchant ships. There is no evidence that I know about which indicates that we would not need these very 200 vessels in a future emergency which it is now proposed we turn over to other nations.

A House Foreign Affairs Committee report, No. 1585, tells us that one of the reasons for proposing that these vessels be transferred is that it would assist in providing more dollars to the participating nations since they would not have to pay American freight rates, assuming, of course, that foreign-ship rates are lower than those of United States merchant vessels.

Nothing could be further from the truth. What the theorists do not seem to understand is that cargo is carried at world rates. It is admitted that the operating costs of the American ships are higher. But at the same level of revenue, this only results in the foreign ship making a proportionally greater profit while the American ship makes less.

Therefore, it is perfectly conceivable that by chartering 200 of our merchant ships to foreign nations and, in effect, driving our ships out, freight rates might be higher than they are at present.

I think it is well to understand that American ships engaged in the carriage of coal and grain, the principal commodities which would be carried by the 200 ships proposed for charter, have their freight rates controlled by the United States Maritime Commission so that no exorbitant, unreasonable, or unjustifiable rate could, under any circumstance, be charged.

From my examination of the issue, I can find no desire on the part of the shipping industry to be against any phase of the foreign-assistance program, except the transfer of ships. They are not alone in this opposition. I have heard repeated opposition to any proposal to transfer our ships from the American Legion, the United States Maritime Commission, the Chamber of Commerce of the United States, the two great national labor organizations, CIO and A. F. of L., and from many other national organizations. In addition, this Congress, as I said before, has already taken action specially designed to prevent any more American cargo ships from being transferred.

Any provision that the 200 vessels would be returned when deemed in the interests of our national security sounds weak and ineffectual to me. We already have the experience of having had returned only one-half of the American merchant ships turned over to Britain under lend-lease, and have received only 7 of the 95 turned over to Russia during the last war.

Again I would like to ask, "What guaranty have we that if the 200 vessels are chartered to foreign nations, who may subsequently fall under Communist domination, such as Czechoslovakia, that they would be returned when we requested them? Supposing they were not returned upon request? Would we go to war to get them back?

It seems to me that the President's Committee on Foreign Aid, in making its report last November 10, 1947, with respect to selling and chartering American ships to foreign nations, must have had these very questions in mind when it declared:

> The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve.

To return to alleged financial savings which would benefit the American taxpayer by virtue of transferring 200 merchant ships, I wonder why nothing has been said about the United States Maritime Commission's communication to a member of the Foreign Affairs Committee. I will not quote from their communication, except to state that in their considered opinion—and the Commission is supposed to be the governmental authority in maritime matters—the charter of these vessels would actually save the American taxpayer nothing at all, but through loss of taxes and charter hire would actually increase the cost of the aid program and subsequently the burden to the taxpayer.

I am reliably informed that some $45,000,000 would be paid by United States operators as charter hire on these 200 vessels operated under the American flag, plus income-tax revenue from both ship operators and their employees. I am certain that the foreign operators of the vessels would not pay that amount.

There are many more arguments and valid reasons for not chartering these American vessels to the foreign nations. My feeling is that in view of the fact that the United States Senate specifically amended its foreign-assistance-program bill to delete the section dealing with the charters of 200 ships and that Congress itself only a month ago specifically denied the United States Maritime Commission permission to charter vessels to any noncitizen, we must be consistent and delete the proposed charter in our bill.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I shall vote for the amendment offered by the gentleman from Mississippi [Mr. COLMER] intended to eliminate from the bill those provisions which would authorize the chartering to foreign countries participating in the recovery plan of up to 200 dry cargo merchant vessels owned by the United States.

I have made clear heretofore that I am for the bill and I think the members of the Foreign Affairs Committee have brought forth the best plan for aiding world recovery and rehabilitation and to stop the encroachment of world communism possible under the circumstances. And because the committee has done such a fine job on the whole I regret the necessity of voting to amend the bill in this respect. However, I can see absolutely no justification, in this time of peril, to charter 200 merchant vessels or any number of American vessels built and owned by our people to any foreign government however friendly it may be. I would call attention to the following language in the bill, beginning on page 66, line 4:

> If a vessel of the United States is so chartered, its documents as a vessel of the United

States shall be surrendered and it shall, during the charter period, be considered as a foreign vessel for the purposes of the navigation and vessel inspection laws of the United States.

This wording would seem to make it clear that vessels so chartered would be under the exclusive control and, of course, under the flag of the country to which chartered. It is our hope, that all such countries will remain friendly with us but in this time of turmoil and change it is not beyond possibility that the governments of some countries to which vessels were chartered would be overthrown. And there may be a possibility that vessels so chartered would not be returned to this country when demanded.

I recall that in the area where I live, in the shipyards of Beaumont, Port Arthur, and Orange, many thousands of workers worked feverishly during all the war years to turn out the ships that made victory possible. We had none too many ships at the close of the war to do the job that was necessary. It would be shortsighted indeed for us to forget these simple facts and, in these times, continue to turn over to foreign countries our merchant vessels. We had better keep them. Me may need them.

Furthermore, I believe in the maintenance of a strong merchant marine by this country and it would be most unwise, even if considerations of national defense were not what they are, to charter these vessels to foreign operators and thus put them in position to more strongly compete with our own merchant marine. If we have idle ships that are needed, let us man them with Americans and sail them under the American flag.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, I rise in support of this amendment which will take out of the bill that provision authorizing the transfer of 200 American ships to foreign nations that will operate in direct competition to our own American operated ships.

The transfer of American ships to European countries, as contained in the foreign aid bill, is unwise and should not be permitted. The manifest unfairness and folly of creating a foreign merchant fleet that could "undersell" us in our own ports is unthinkable and I unalterably oppose this procedure.

While I heartily favor the Marshall plan of assisting the nations of western Europe in their postwar recovery programs, I urge most emphatically that it not be done at the expense of a vital part of our national economy, the merchant marine. It requires little imagination to understand the effect of taking 200 vessels from current United States flag operations, and turning them over to European nations to operate under foreign flags, manned with foreign crews and used in the same services in which they are now employed by American operators with American crews. Although we would be paying for this with our dollars, our American seamen and suppliers will be idle.

There is no justification for turning over 200 of these vessels to the foreign nations and it is not necessary in order to obtain the objectives of the foreign aid bill. On the other hand, it will do great damage to our merchant marine and not only would it pave the way for driving the American flag from the world's trade routes, but would have a far-reaching and adverse affect on our national defense and security.

I am gratified that my views are completely in accord with the Maritime Commission, which is the Government agency charged with the responsibilities of shipping matters, as I know their knowledge and opinion is superior to that of any other Government agency on this particular subject. Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I am somewhat surprised when my colleague on the committee, Mr. COLMER, states that the bill provides these ships will be given away. The language of the bill is very clear. It provides that for periods not extending beyond 1952, they may be chartered to participating countries. That term is used throughout this section. I do not see how you can construe it to mean that when these ships are chartered, they are actually given away. In the same section on line 10 there is a way in which these charters can be rescinded. I yield to no man in my desire to have a strong merchant marine. It was my privilege to have served on the Committee on the Merchant Marine and Fisheries of this House for 4 years. I share the desire, as do the members of the committee, that we will continue to have a strong merchant marine. That is not the question, however. The question is, are we going to save the taxpayers of this country some $100,000,000 or more, or are we going to subsidize out of the European recovery program the shipping industry of this country. There you have it. There is testimony before our committee that the amount to be saved to the taxpayers is between $60,000,000 and $100,000,000. The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Chairman, it has been my pleasure to have served on the Committee on Merchant Marine and Fisheries of the House for some 7 years. I can appreciate fully the real value of having an adequate merchant marine. May I say at the outset it is true that we are not giving these ships away, but we are turning these ships over to these foreign countries for the duration, so to speak, of the Marshall plan. I would like to ask my distinguished friend, the gentleman from Wisconsin, what sort of condition he thinks these ships will be in after they have been used by these countries for some 4 or 5 years? We all know by experience that these ships will be practically worthless. While some members of the commitee may be of the opinion that they will save money by turning these ships over to the countries participating in the Marshall plan, I cannot share that view. A substantial part of the operating costs under a charter arrangement such as ship stores, fuel oil, and so forth, would of necessity be purchased in the the United States with our dollars. The saving, if any would be negligible.

I am sure the House will approve the amendment offered by the gentleman from Mississippi.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Chairman, in the introduction of this amendment, I yielded to the gentleman from Mississippi solely because he is a member of the Foreign Affairs Committee. Had he not offered the amendment I would have done so.

Mr. Chairman, the purpose of this amendment is very simple—it is to save 200 good ships for the United States—it is to save jobs at sea for 10,000 American seamen—it is to keep the work of overhaul and repair on these ships for our starving shipyards—it is to keep the business of insurance, of ship chandlering, and of ocean transport in American hands—it is to keep our present shipping organizations together so we may be ready for an emergency—it is to keep these 200 ships under the American flag for our own use in the event of war—it is to keep these 200 ships out of the hands of the enemy if war comes upon us. It is to do all these things, and a few more, for it will satisfy the American people that this Congress has at last asserted its authority to overcome the baleful influence of the State Department in all things pertaining to our merchant marine.

You may be told that this program will cost more than if we let the foreigners have the ships and carry our goods. Frankly and honestly, if we take all things into consideration, I do not believe it will cost more to use American-flag vessels. There are a hundred ramifications in this business and every one costs money. The figures you may have presented represent only the direct costs and neglect the indirect, such as widespread unemployment in shipyards and related activities. But what if it does cost a little more? Is it not a fundamental concept that the Americans who pay the bills deserve consideration in the expenditure of their own money? It seems to me that some public officials work on the false theory that it is their own money they are spending and that they can spend it as they please without regard to the common people. The King of France had that idea when he built the vast palace at Versailles. The Kings of France are gone. The Empress of China had that idea when she spent the people's money to build the Summer Palace and the Marble Boat. The Empress of China and her line are gone. We shout that we are trying to stop communism abroad. Why struggle to stop communism abroad and, at the same time, build it up in our own country through discontent that will follow such a raw deal as this legislation

proposes for the American shipping fraternity? The amendment offered is intended to stop communism at home by proving that this free Government looks out for its own people.

The truth is that there are ample ships on the high seas to handle every ton of freight now offered, or that will be offered under this program. New foreign ships are being added so steadily that American vessels are now being forced out of business because of lack of cargoes. Every additional ship we charter foreign knocks one more American vessel off the seas.

You may be told that market rates will go up sharply if we adopt this amendment. I do not believe this for several reasons.

First, the anticipated surplusage of tonnage will keep rates down through competition.

Second, the Maritime Commission can control both maximum and minimum rates on Government-owned vessels.

Third, overseas rates are controlled by international conference agreements.

Fourth, men want jobs, not relief or unemployment.

Fifth, this is expected to be a long-range program and Congress can easily modify existing law whenever it sees fit to do so.

Mr. Chairman, it is a foolish workman who gives away the tools with which he earns his wages. Ships are the tools of ocean transportation—they are the tools of every maritime nation—they are essential to the people for their daily bread and to the state for its security. I earnestly hope that this chartering provision will be knocked out cold.

Mr. BOGGS of Louisiana. Mr. Chairman, I am supporting the legislation now being considered by the committee. I do so, not because of the humanitarian considerations, as commanding as they are, but because I firmly believe that this legislation is essential to the security of our Nation.

For the same reason that I support the legislation—that is for the security of America—I am opposing the provision authorizing the transfer of American ships to foreign charterers because that provision strikes at the very heart of the security of our Nation.

In the light of the history of this provision, and of its far-reaching effects, it is indeed difficult to understand why the committee should have incorporated it into the legislation. The necessity for maintaining a strong, virile merchant marine as an essential part of our national security establishment seems too elementary to argue. Nevertheless, the members of this committee apparently do not appreciate the importance of the American merchant marine.

The argument that the proposed provision will not affect the American merchant marine and that it will merely remove from the reserve fleet 200 ships that are not now being used, thus saving dollars for freight charges and saving steel to be used in the construction of new vessels abroad, is utterly ridiculous in light of the actual facts.

In the first place the ships in reality will be removed, not from the reserve fleet, but from the operating fleet. Already the operating fleet of American vessels has been reduced to such a point that our vessels are now carrying less than 50 percent of our foreign commerce. Fifty percent has been established as a safe minimum by every organization which has investigated this problem. If 200 additional ships are transferred to foreign flags that will mean that 200 ships now carrying cargoes will have to be retired to the reserve fleet and it will mean further a competitive freight rate war which may very well reduce our fleet to relative unimportance in the very near future.

We have already transferred to foreign flags 1,500 American vessels. The foreign fleets have been restored to prewar strength. Right now they are as large as they were prior to the Second World War, and when the present foreign building program is concluded they will be much larger.

The argument that money will be saved for the American taxpayers is likewise ridiculous. In the first place, the authorization of this bill is for a lump sum, and not for specific items, so that even in the event freight charges were saved the funds would still go to the European nations. Insofar as the American taxpayers are concerned, actually such a transfer will cost them more, not less. Under the charter contracts 90 percent of all earnings by the charter vessels are recaptured and the other 10 percent is subject to normal income taxation. Aside from losing this tax revenue, thousands upon thousands of American seamen would be thrown out of employment and forced upon unemployment-compensation rolls.

The argument has been advanced that the transfer of these vessels will save steel. This, too, is silly. If you will take the trouble to study the shipbuilding programs under way in Europe, you will find that the ships under construction are of different types than the ones to be transferred, and the transfer of these vessels would have no perceptible effect upon this building program. It would go right ahead and not 1 ounce of steel would be saved.

What must we do to convince the American people of the essential character of the American merchant marine? We entered the First World War with barely enough tonnage to carry 10 percent of our cargoes. As a result our commerce stagnated and our ports were practically out of commission. The American people spent over $3,000,000,000 in tax funds to build a merchant marine to fight the First World War.

In 1936 when the war clouds gathered in Europe, this Congress passed the Merchant Marine Act and proclaimed a strong merchant marine as essential to the security of this Nation. That act was being administered when we entered World War II, and we were somewhat better off than when we entered World War I, but despite the Merchant Marine Act of 1936, we had to undertake a tremendous program costing billions upon billions.

Every President, every military leader, every security agency has stated without equivocation that we must maintain a strong merchant marine.

The provision of this bill will destroy the American merchant marine and will bring us to the deplorable situation in which we found ourselves prior to two world wars. Are we, as Members of this body charged with the responsibility for the safety of this Nation, going to sacrifice one of the vital arms of our defense by the adoption of a provision which is unwise, which will not do what its authors say it will do, which will not save steel, which will not save money, and which will greatly weaken and probably fatally cripple the great American merchant marine.

Mr. LATHAM. Mr. Chairman, I rise in support of this amendment.

I was very much surprised and disappointed when I saw that the House Foreign Affairs Committee had written back into this bill a provision for chartering foreign these American merchant ships. This provision had been stricken from the bill in the Senate.

That provision had been condemned not only by the other body but by the Secretary of Commerce in his report on this bill. It was also condemned by the House and Senate less than a month ago when we passed the Weichel bill, which specifically prohibited the foreign charter or sale of American merchant ships. This provision two weeks ago was condemned unanimously by every member of the House Committee on Merchant Marine, both Republicans and Democrats.

I do not believe the members of the Foreign Affairs Committee—and I mean no offense by this—know more about this highly technical subject than these specialists, some of whom have devoted a lifetime to the study of this subject.

This is done in the name of economy, but why is it that they have to pick this particular spot in the bill to economize? There are plenty of other places in this bill, if they wanted to save money, where they could economize. They could cut down on some of the appropriations to Ireland or Portugal, where there is no Communist menace. But no. They had to pick this spot where they could deal a death blow to the American merchant marine.

Instead of this provision which we are now contesting, this legislation should now have written into it provisions which would protect the United States Merchant Marine instead of harming it. The merchant navies of the 16 participating countries have already recovered their prewar position in world trade. Our own Merchant Marine is disintegrating fast. An average of two merchant ships are being turned back to the Government every day because there is not enough trade to profitably operate them.

I must remind you that this country has spent much time and much money to maintain a stable and strong merchant marine, so necessary to the country in time of war. The Congress has set up a special committee, the House Committee on Merchant Marine and Fisheries, to keep fully informed on this vital section of American industry. This special care is necessary because of the fact that foreign countries can operate their vessels

with low-paid crews and lower safety standards at about one-third of the cost of American operation.

Actually, of course, the plea of economy as a basis for inserting this provision is a specious one. The Maritime Committee has estimated that the country will lose more in charter hire, taxes, and unemployment benefits paid out, than it will save.

I feel, also, that we should not turn our backs on the 8,000 merchant seamen who would be thrown out of work if this becomes law. How can we possibly justify favoring low-paid foreign citizens as against our own? If it is sound to use foreign cheap labor to sail ships, it is also sound to import foreign cheap labor to mine the coal and sow the wheat which will be delivered under this program.

Mr. Chairman, this provision is thoroughly unsound, and I hope the amendment prevails.

Mr. PRESTON. Mr. Chairman, the preponderance of the evidence and argument, in my opinion, lies in favor of the amendment to strike from the bill under consideration the authority to transfer 200 surplus United States vessels to certain foreign nations.

It should be remembered that when the Marshall plan was first given serious consideration by the President he had numerous surveys and reports made to determine what impact the plan would have on our economy. The Secretary of Commerce made a survey and report and his committee stated:

> The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve.

The Secretary of Commerce is well known for his sympathetic interest in the welfare of our European neighbors whom we seek to help but he, as zealous as he is, warns that we will run a risk to transfer the vessels under discussion.

The proponents of the transfer base much of their argument on the statement and approval of the Secretary of Defense, Mr. Forrestal. In this connection I wish to point out what he said in a letter to the Honorable ARTHUR H. VANDENBERG, and printed in the hearings, dated February 11, 1948. The Secretary said, "It is not my aim to give you the impression that the charter or transfer of title of 500 vessels, or any lesser number, will be completely without impact on our own military strength. There will undoubtedly be some effect—but it is my opinion that we stand to gain more by such transfer or charter, from an over-all national security standpoint, than we stand to lose."

But the Secretary fails to point out how we will gain. And it should be noted that the above statement was made before recent events occurred, and even then he admitted impact on our security. In the light of present conditions the impact will be even greater.

Why take a chance? It is burden enough to carry the financial load we are undertaking, but it is folly to weaken our national security. Should war be declared the United States will be chartering these same vessels at enormous prices from the recipient countries who are getting them free.

One of our weakest security links when World War II began was our shortage of cargo and passenger vessels. We paid the British several times what the *Queens Mary* and *Elizabeth* cost in charter fees. In fact we were dependent on the British fleet for much of our war activity, but we all know what happened to their fleet during the war.

It is a fact, and I shall not burden the record with figures pertaining to each receipient country, that the merchant marine strength of nearly all of these nations is up to pre-war levels.

What will this mean if we add to their strength by 200 additional vessels? The inescapable answer is that the American merchant marine will be facing disaster. The industry is today fighting bitter competition from foreign bottoms using cheap labor. Holland is chartering some of her vessels to other nations currently. The transfer of United States vessels to her would enable her to charter more of her own to other nations.

Let us not jeopardize our national security and merchant marine. Is it not enough to make this record breaking altruistic gift? And it is a gift just as all of our war loans turned out to be.

I am supporting the bill, and with some misgivings, but I wholeheartedly refuse to willingly agree to this transfer of vessels which was unanimously rejected by the other body and which is so manifestly unfair to the American merchant marine.

I represent the port city of Savannah and I have first-hand knowledge of the struggle the South Atlantic ports have been having in the post war period. There has been act after act of discrimination on the part of various government shipping agencies. As a result of those acts these ports have become relatively inactive. We want a fair share of government shipping and we want our merchant marine to get a decent break out of the European recovery program. This is no more than other industry will get.

I respectfully ask that you support your committee on merchant marine in their unanimous decision to oppose the transfer of American surplus ships.

The CHAIRMAN. The gentleman from Maryland [Mr. MEADE] is recognized for 1½ minutes.

Mr. MEADE of Maryland. Mr. Chairman, I rise in opposition to the transfer of the 200 ships proposed in this bill to the 16 participating nations under the European recovery plan.

I feel sure that most of the Members of the House know that shortly after Secretary Marshall made his memorable speech at Harvard University last summer, the participating nations formed a committee known as the Committee on Maritime Transport. They very naively suggested that in order to build up their fleets and to reduce American trade with them, that we should transfer 3,000,000 deadweight tons of shipping to them. At the same time, they flatly refused to reduce their own shipbuilding programs during the 4½-year period covered by the Marshall plan. They plan to build some 15,500,000 tons of new shipping, which would require 5 percent of the entire steel requirements embodied in the Paris proposals—and all of this, of course, on our money while at the same time they want to reduce our American merchant marine by 200 ships and throw 20,000 to 30,000 American seamen out of work.

The Harriman committee appointed by the President to make a thorough study of our merchant marine, said:

> It is pointless for Europe to be building up a world surplus of vessels at this juncture. It would be equally pointless for us to transfer large numbers of dry cargo vessels during the period of European surplus build-up.

But our State Department paid no attention to the Harriman report, which was prepared by outstanding businessmen, and went ahead and incorporated the transfer of 300 ships in the Marshall plan. Fortunately, the committee has at least reduced the number to 200 ships. The result of such transfer would be to remove 200 ships from our European trade and although the present bill provides for the return of these ships "in an emergency," I am sure each one of you has as little faith in that statement as I have.

I am in favor of the European recovery plan and intend to vote for its passage but I am not in favor of giving any nations any of our ships.

The Harriman report went on to say:

> The United States needs an active merchant marine for national defense and we must not create conditions in which that merchant marine cannot survive.

Again, in the report of the President's Advisory Committee on the Merchant Marine we find this statement:

> Security requirements can be met only through the existence of an efficiently operated merchant marine of such size as to meet the initial military and naval demands. Unless the shipping and shipbuilding industries are maintained above some minimum level, the country will lose that vital nucleus of know-how which is essential to enable rapid expansion to meet emergency or wartime needs.

It seems utterly ridiculous that the House Committee on Merchant Marine and Fisheries is now holding hearings on the present status of the American merchant marine—that those of us who believe it imperative that we have a merchant marine second to none, are continually advocating money, money, and more money for a comprehensive shipbuilding program on one hand, and that the Congress is giving away 200 ships on the other. We pay subsidies to put our own shipbuilding program on a fair competitive basis with foreign shipbuilding where their cost of construction is so much less than ours. We pay operating subsidies to put our ship operators on a fair competitive basis with foreign flag ships—and now, when we had hoped to be able to formulate a construction program to bring our merchant marine to the top of the list—this bill would go a long way toward taking our cargo ships out of competition for foreign trade.

Think twice, ladies and gentlemen, before you vote on this section of the bill. If we can spend five billion three hundred million for relief supplies, let us spend a few more million and transfer

our own supplies in our own ships, manned by our own American seamen and then the recipients will know where they come from. Furthermore, if we transfer these ships to foreign nations, it will be our money which is used to operate them—our money which will put 20,000 or more American seamen out of jobs. I hope you will defeat this section of the bill.

The CHAIRMAN. The gentleman from Maine [Mr. HALE] is recognized for 1½ minutes.

Mr. HALE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I question very much whether there is a single Member of this House representating a maritime State who is in favor of the bill as drawn, or who will oppose this amendment.

Only last February—on February 25, to be exact—we passed a law which forbade the chartering of vessels foreign. Is there any earthly sense in reversing that policy not much over 30 days from the time we inaugurated it?

This winter in the Committee on Interstate and Foreign Commerce we have spent an enormous amount of time on the question of distribution of petroleum and petroleum products in this country. We found that last June the State Department recommended that we sell 100 tankers to foreign governments; and a very large part of our oil difficulties this winter stems from the fact that we did dispose of most of those tankers.

The judgment of the State Department on questions of this sort is nowhere nearly as good as the judgment of the shipping interests or the judgment of the Maritime Commission. We have here a principle of national security involved.

Let me remind the Committee that these charters as authorized in the bill are bare-boat charters.

Under bare-boat charters the delivery and redelivery are actual, in contrast with the symbolic delivery and redelivery in the case of time charters, where the shipowner remains in actual possession and operates the vessel with his own officers and crew for an agreed price paid by the charterer, who also pays various expenses of fuel and other items, which vary sometimes according to particular trades; and the same is substantially true as concerns voyage charters, where the owner remains in possession and operates the vessel. It is a a broad characteristic of time and voyage charters that the shipowner is himself rendering a service with his ship on agreed terms.

The bare-boat charter is entirely different, being a demise under which the ship herself is turned over to the actual possession of the charterer, who pays the owner an agreed sum, and in addition himself hires the crew and pays all expenses incidental to the use of the vessel by him. He becomes an owner pro hac vice and has substantially the same rights of limiting liability under our statutes as does the actual owner. The time charterer does not have this limited-liability right, seeing that he has only purchased service from the owner and does not have the operating responsibilities that attach to the ownership.

The obligation of the bare-boat charterer on redelivery of the vessel, that is, to repair and restore, is not infrequently an onerous one, according to the vicissitudes encountered and the measure of the responsibility and care exercised during the charter period. Voyage repairs and maintenance on any considerable operation are always fairly important. Some of these items are covered by insurance, others not, but either way they involve cost.

I believe that the money saved under the bill as drawn would prove to be insignificant, and that every genuine consideration of national interest would be served by the adoption of the amendment.

The CHAIRMAN. The time of the gentleman from Maine has expired.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, there is a moral obligation why every Member of this House should support the pending amendment. We wrote the ship sales bill which was passed by the House after being unanimously reported out of the Merchant Marine Committee. We told the industry at that time it was the last word in the disposition of war vessels.

Mr. Chairman, that alone motivates me to support the amendment and that alone should motivate all Members of the House to support the amendment. In addition to that, we are trying to build up safety at sea and we have provisions that apply to American-flag ships that do not apply to foreign-flag ships which handicap our American ships in competition with foreign-flag ships. These ships will operate under foreign flags to the detriment of the industry we are trying to maintain and build up here in America for our national defense.

There is another provision in the act as it is written. These vessels as they engage in foreign trade will only engage in foreign trade so long as the provisions of this act go on, because foreign countries are building their own vessels to take care of transportation at sea and in turn wipe out the effort of our American merchant marine. Therefore we should not by this bill break faith with the American operator, the American seaman, and those who build and repair ships in American yards, by leaving in this bill the provision for chartering or selling war-built vessels in competition to our struggling merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, I rise in support of the pending amendment to prevent the chartering of 200 of our merchant vessels to foreign operators. The committee should bear in mind this is not a case of supporting the judgment of members of the Committee on Foreign Affairs of the House as much as it is a case of supporting a vital arm of our national defense. If the world situation is so critical that we must seriously consider going back to selective service, instead of chartering these vessels and sending them to sea under a foreign flag, we better give them a few trial runs with American crews and keep control of those vessels here in the United States.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I appreciate the gentleman's statement. If we are being asked to vote realistically for our Army, Navy, and Air Force we better start voting realistically about our merchant marine.

Mr. MILLER of Connecticut. I thank the gentleman. We should bear in mind that every responsible official of this Government charged with the responsibility of maintaining and developing the American merchant marine is opposed to the provision now written in the bill and favors striking this provision out. The only opinion expressed here in opposition to the view of those responsible officials of our Government is the opinion of men in the State Department and the opinion of a majority of our own Committee on Foreign Affairs.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. DOMENGEAUX].

Mr. DOMENGEAUX. Mr. Chairman, while I am in sympathy with the general principles and purposes of the Marshall plan or European recovery program, I certainly cannot subscribe to the provision inserted in the House bill by which this country could charter up to 200 merchant ships to participating nations. With all due respect to the Foreign Affairs Committee which I know has labored diligently and earnestly to report out a practical and deserving measure, I am puzzled over the committee taking issue on a subject which has been so recently settled. United opposition, including that of the American Legion, United States Chamber of Commerce, Mississippi Valley Association, shipowners and maritime labor organizations, has been directed against the transfer of such ships. In Congress, both the Senate and House adopted bills prohibiting the chartering of any United States merchant vessels to noncitizens, and the President signed this legislation February 27 of this year. And furthermore, in connection with this same bill we are now considering, the Senate very wisely eliminated a chartering provision.

There is no good argument in favor of either chartering or selling these ships. The United States Maritime Commission has termed claims of large savings in this connection as unrealistic promises which tend to overshadow in the minds of the taxpayers the real damage that would be done to the American merchant marine. Moreover, the Commission has pointed out, any dollar savings on transportation, while permitting larger purchases of American goods, would save the taxpayers nothing at all and would not reduce the cost of the relief program to our people, while on the other hand it would actually increase the cost through loss of taxes and charter help. In brief the limited financial savings would not be sufficient to justify the

drain on United States resources for national defense that the transfer of our ships would involve.

Referring to the matter of national defense, Secretary Forrestal has stated:

> We had the bulwark of the British Fleet at the beginning of the last war. We won't have that protection next time. * * * If we need X number of merchant ships to support operations 2,500 miles from the American coast line, we will require not twice as many but four times as many ships to support operations 5,000 miles away.

We must keep in mind that relief cargo is carried at world rates and that our own ships, now constituting less than one-half of those engaged in this trade, must meet the competition of the foreign fleet which is fast increasing. Admitting that the operating costs of an American ship are higher, at the same level of revenue this only results in the foreign ship making a proportionally greater profit. If American ships are forced out and foreign ships get a monopoly, with the American taxpayers footing the bill, we could easily have higher rather than lower rates.

It is also argued that this country should agree to transfer certain of its dry-cargo ships to the Marshall plan nations with an agreement that the latter curtail their shipbuilding program. They have definitely turned down such a proposal on the grounds that their shortage is in small and special-type ships that we cannot supply, according to the report of the President's Committee on Foreign Aid, known as the Harriman committee.

There are also those who contend that we should not hesitate in turning the ships over to the foreign nations since these vessels would be returned to us at the end of the charter period or in any event we could build even better ships to replace them. I have not been able to find anybody in the industry who thinks these vessels would ever be returned to us and certainly our experience with Russia would support this view. It is virtually certain that some excuse would be found by the countries overseas—either the age, condition, or some other factor—to retain the ships for a minor consideration. It is true we can undoubtedly build superior vessels. But even the most optimistic viewpoint of design and economics would not permit such new vessels to compete against the present dry-cargo ships in the hands of foreign competitors with relatively no capital costs and with cheap foreign crews. The question is not how many ships one has as a merchant fleet, but how much business there is available to keep such a merchant fleet in operation on a level of economics which may be met.

The bill would authorize the Administrator to charter ships to the participating nations on any terms which he may decide. It is apparent that this amounts in substance to a grant-in-aid and that no charter hire would be paid by the foreigner. The present American charterers are required by law and are paying approximately $90,000 a year for each Liberty-type vessel. Thus, we contend, the legislative provision for chartering the ships to foreign nations would be a rank discrimination against the American in favor of the foreigner when we compare the cost of such transportation by the two methods. Even if the foreigner were required to pay charter hire, it would be necessary for this Government to supply American funds for such a purpose.

Further discrimination would be the substitution of foreign for American crews. The theory has been advanced that through the utilization of cheap foreign labor the transportation costs might be reduced. There are other factors which minimize this claim, but at any rate this is an un-American approach. It would be every bit as justifiable to import cheap foreign labor to produce the commodities to be shipped overseas. Assistance to the European nations should be the generous act of the whole American people without any undue burden being placed on the shipping industry and American seamen.

We should not be influenced by reports that the prewar fleets of the countries involved in the Marshall-aid program have not been restored and that we should therefore assist their recovery by contributing ship tonnage. The National Federation of American Shipping has shown on numerous occasions that the prewar fleets of these nations have been restored, and furthermore that the greatest shipbuilding activity in their history is in progress.

There is all the evidence necessary to prove that the transfer of dry-cargo ships to the nations participating in ERP is not essential to the successful operation and minimum cost of this program. There is already a surplus of such vessels to handle the flow of relief cargoes of the character contemplated which are already at peak movement. Approximately three such ships are being returned daily to the Maritime Commission by United States charterers due to the constantly increasing size of the foreign fleets. If we charter 200 ships as proposed in this bill we immediately diminish American participation by this amount. We must contemplate the damage that would quickly result to American shipping and the loss of jobs by many American seamen. But aside from the short-range problem there is the main problem to be considered—how our ships could compete in the future against such ships in foreign hands with no capital costs and low-wage crews.

The requirement in the House bill that vessels so chartered shall be "not in operation at the time of charter" contributes much to a misunderstanding of the subject. With sufficient ships in service to handle all of the business two alternatives are available, either to transfer from United States-flag management and manning to foreign-flag management and manning a ship already in operation, or to take from lay-up an idle vessel, man her with a foreign crew, give her foreign management and foreign flag, and force a corresponding American vessel from operation and into lay-up; this to be successively practiced until 200 ships have been commissioned and 200 decommissioned with a loss of employment by 8,000 or 9,000 American seamen.

Transfer of a ship from American to foreign charter would cost from $25,000 to $114,000. Surely no sleight-of-hand operation such as the second alternative would occur. It seems obvious that the only purpose of such a provision is a political one, in order to furnish a basis for claiming that American ships would not be deprived of business nor American seamen of their jobs. Even those knowing very little of the details of the shipping industry know that it is not a question of the number of ships, but of the volume of business available to employ a number of ships.

The brief prepared by the Maritime Commission, entitled "The American Merchant Marine Under the Marshall Plan," and submitted in connection with hearings on this legislation before the Committee on Foreign Affairs, very concretely and decisively stresses the necessity of protecting and developing our fleet. I wish to call particular attention to these statements contained in the brief, and I quote:

> The United States has done its share as far as shipping is concerned. Over fifteen hundred American ships have been transferred to foreign nations within less than 2 years, most of them by the United States Government at prices substantially below what their construction cost the United States and far below present construction costs abroad. Today it is the American merchant marine, not the shipping of the 16 nations, which needs help and protection if it is to survive. Instead of any further vessel transfers abroad, whether permanent or temporary, it is therefore vital that the American merchant marine be assured at least of continuation of its present participation in trans-Atlantic aid shipments, when the European recovery plan begins to operate. The United States Maritime Commission, duty-bound to warn against a plan under which, in the effort to help 16 nations, a vital arm of our national defense and an essential national industry would be sacrificed, strongly opposes the ship-transfer provisions of the 16-nation plan.

Certainly there is nothing to be gained, but much to be lost, by the transfer of any of our ships, and I trust that this provision will be eliminated.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I think we are making a very grave move in the wrong direction if we turn over these merchant ships to foreign countries. After the First World War we found ourselves almost completely without a merchant marine. We spent literally billions to build up our merchant marine. The merchant marine is an important adjunct to our national defense. We now have tied up in this country very many of our merchant ships, and we are rapidly taking others of them off the ocean. Our flag is disappearing from the high seas. Furthermore, if we turn these ships over to foreign countries, it means that the crews to man these ships, our seamen who are hard to get, will be dissipated, and we will not have them, and they will not be available when we need them in case of war. It seems to me certainly that it is false economy

when we are putting up the money to pay for operating these ships to legislate against our own nationals. We are putting up $17,000,000 from which the payments are made by these foreign countries, to pay for the men who operate the ships, and to pay for the material and for the supplies that go into the operation of the ships, and we are throwing our own employees, our seamen on the bread line. My district is one of the big ports in the country. On the west coast we built many of these ships during the war. I do hope that everyone in this House will vote for this amendment. The port of Portland in my district built hundreds of them. Most of them are now in moth balls. I will not only vote for the amendment but also for the equally important amendment to require 50 percent of the Marshall plan tonnage cargo to be carried from America in American ships.

Mr. Chairman, pursuant to leave granted in the House I include as a part of my remarks the following correspondence and arguments showing that this amendment should be passed:

SHIPOWNERS' ASSOCIATION
OF THE PACIFIC COAST,
San Francisco, Calif., March 8, 1948.

HON. HOMER D. ANGELL,
House of Representatives,
Washington, D. C.

DEAR SIR: This association is in full accord with the objectives of the European recovery program. However, we request your attention to, and assistance with, one phase of this program. We are certain that you do not favor the Marshall plan at the expense of economic disaster to an industry directly connected with the national security of the United States, and which will include the unemployment of a sizable segment of American maritime labor.

The European recovery program, as proposed by the State Department, calls for the transfer by sale and charter of 500 American-flag vessels to the 16 participating nations. These 500 vessels represent approximately 5,000,000 dead-weight tons of shipping, an amount equal to one-half of our entire merchant marine before the war, twice the tonnage employed exclusively in our foreign trade prior to the war, and approximately one-half of our present privately owned shipping fleet. Section 11 (a) of Senate bill 2202, to implement the Marshall plan, would allow chartering of 300 vessels. If either of these proposals is allowed to be included in the final passage of the Marshall plan, it will be the most damaging legislation to the American merchant marine since Congress, in 1858, granted mail-contract subsidies to a British-flag line.

Economy is the most important reason suggested in the European recovery program proposals for the turning over of these ships to foreign control; viz, that the cost of transporting relief and rehabilitation cargoes would thereby be reduced. Numerous loose estimates of savings have been offered, completely unsupported by their authors. Regardless of actual figures, we are unequivocally opposed to the theory of sacrificing such a vital asset of the United States merely to accomplish a temporary expedient—which would result in an approximate saving of only 1 percent of the total estimated cost of the European recovery program.

In this connection, we would like to direct your attention to excerpts from the November 1947 Report of the Commitee on Foreign Aid under the chairmanship of the Secretary of Commerce (the so-called Harriman Committee):

"The United States needs an active merchant marine for national defense and we must not create conditions in which that merchant marine cannot survive" (p. H-6).

"The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve" (p. H-8).

Furthermore, we quote the following from House Report No. 1417 to accompany Joint Resolution 332 (Feb. 23, 1943) extending certain authorities of the Maritime Commission:

"In this connection, the committee is also of the opinion that the transfer of ships to foreign nations, as has been suggested in connection with the proposed European recovery program is wholly inadvisable. The committee feels that neither the Maritime Commission nor any other agency should attempt to charter, sell, or transfer title to any person who is not a citizen of this country, nor to any foreign government. To do so would not be in the interest of the United States, nor of the shipping industry, nor of the thousands of seamen and workers who are engaged in maritime employment."

We earnestly request your consideration of the fact that the shipping phases of the European recovery program, as proposed by the State Department, are diametrically opposed to the policies of the Congress relative to the American merchant marine, as set forth in the preamble of the Merchant Marine Act of 1936 (as well as in previous and subsequent merchant marine legislation). The policy of this Nation, as determined by the Congress, has been to develop and promote an American merchant marine adequate to serve the Nation in time of peace, and in time of war as a military auxiliary. However, the State Department proposals, would not only return the American merchant marine to its pre-1936 status, but would create out of the existing American-flag tonnage the low-cost foreign-flag tonnage which would in the future either push the American flag off the seas or necessitate increased subsidies paid to American lines to maintain a minimum of national defense shipping.

It would be much more in line with existing congressional policy for American shipping to be given every possible opportunity to establish its operations on a permanent postwar basis. There has been too little consideration given to the potentialities of American shipping in light of the United States' present world leadership. History has shown that decades of a strong British merchant marine coincided with, and were a part of British world leadership. It has also shown that the power and prestige of nations are directly dependent upon the size, scope, and condition of their merchant fleets. It is quite clear to us that this Nation, in view of its new international role, needs a strong merchant marine with all of its attendant benefits in peace and in war. The United States cannot allow American-flag shipping in world trade routes to be smothered by foreign competition, with that competition made possible by the very ships which were the miracle of wartime production in the United States.

This association, along with other members of the industry, and hand in hand with American labor, cannot stand idly by and see this splendid American-flag merchant fleet disbanded, resulting in unemployment of thousands of trained personnel needed to man the ships, operate them, repair them, and build them. These American citizens will need an economic recovery plan of their own if unemployment is forced upon them.

Very truly yours,
SHIPOWNERS ASSOCIATION OF THE
PACIFIC COAST,
R. W. MYERS, *President.*

PORTLAND, OREG., *March 26, 1948.*

HOMER D. ANGELL,
House Office Building,
Washington, D. C.:

Propeller Club, Port of Portland, Oreg., much concerned over action of House Committee on Foreign Affairs in its position on ERP which provides for chartering or otherwise transferring 200 American vessels to foreign flag and fails to include provision that at least 50 percent of cargoes provided under ERP move on American-flag vessels. We earnestly endorse ERP, but do not agree necessary to attain objective by committing long-range injury to our merchant marine to effect uncertain savings in Marshall plan. We respectfully recommend bill passed by House committee be amended as amended by Senate with respect to transfer of American vessels to foreign flag and carriage of ERP cargoes on American vessels. We do not believe American vessels should be taken away from American operators to operate under foreign flags nor do we believe thousands of American seamen should be deprived of opportunity to earn living on American-flag vessels. It seems inconsistent to increase unemployment of American seamen and shore labor who would not participate in manning, repairing, and supplying foreign ships. Present unsettled world conditions require we continue in operation large fleet of American vessels under American flag manned by trained officers and men. We urgently request your support in our position.

D. J. MCGARITY, *President.*

[From the New York Sun of March 15, 1948]

SHIPPING UNDER THE MARSHALL PLAN

Appearing before the advisory group of the committee on international relations of the National Association of Manufacturers, George W. Morgan, president of the Association of American Ship Owners, painted a gloomy picture of what lies ahead for the merchant marine and American merchant seamen if the present proposal to charter American ships under the European recovery program is carried out. With hundreds of American vessels lying idle it is theoretically attractive to turn 300 of them over to foreign operators, saving their nations the dollars that might have to be spent in transporting ERP supplies in American bottoms. What actually would happen, Morgan argues, is that the 300 ships taken out of storage would quickly be replaced by 300 American ships that would be driven there by competition so keen that even now vessels are being retired at the rate of about two each day.

The withdrawal certainly would be speeded if the contemplated transfer without payment of charter hire under ERP is carried through. Foreign competitors would have this saving in hire added to their lower operating costs to place American rivals at a disadvantage. Freight rates now have so declined that the maximum saving in ERP costs, provided all 300 ships were needed during the entire period of the plan, would not exceed $200,000,000. The participating nations, however, do not believe they will need more than 150 ships during 1949; and after 1950, because of declining import requirements and the increase of their own merchant marine, there will be no further need for American vessels. This would reduce the savings under the whole program to $88,000,000, little more than a third of the sum the Government will be paying out in the same period to the one-sixth of American shipping which draws subsidies. For the sake of this potential saving, the other five-sixths which operates on the basis of private enterprise without governmental largess will be taking a terrific beating. Little will be gained if the money saved now has to be spent later

to undo the damage wrought in an excess of generosity.

MEMORANDUM FROM NATIONAL FEDERATION OF AMERICAN SHIPPING REGARDING THE SHIPPING ASPECTS OF THE MARSHALL PLAN PROGRAM, AND MORE PARTICULARLY THE PROPOSAL TO TRANSFER 200 SHIPS BY CHARTER TO THE PARTICIPATING NATIONS, AS CONTAINED IN THE HOUSE VERSION OF BILL S. 2202

WASHINGTON, D. C., *March 24, 1948.*

There follow statements and arguments which have been advanced, followed by a brief statement of the facts and the authority in each instance.

1. On February 25, 1948, both the Senate and the House passed the Tobey and Weichel bills specifically prohibiting the charter of any United States merchant ships to noncitizens. The President signed the legislation on February 27, 1948. Further, the Senate on March 10, 1948, by unanimous action eliminated the chartering provision from the Marshall plan bill.

It is indeed surprising to find the House Foreign Aid Committee immediately taking issue on a subject so lately and so conclusively settled. It should be noted that this action of the House committee was notwithstanding the active opposition of the American Legion, the United States Chamber of Commerce, the Mississippi Valley Association, shipowners, shipbuilders, maritime and shipbuilding labor both CIO and A. F. of L., the Maritime Commission, and many other national business and civic organizations.

2. That savings in cost of Marshall plan of $100,000,000 per year would result. (House Foreign Aid Committee Report.)

Statements of saving in the dollar cost of the Marshall plan which would result from transferring United States dry-cargo ships to the participating nations by either sale or charter have been vastly exaggerated. These claims have emanated largely from the State Department without any supporting data or authority and without any details as to how arrived at.

In a letter addressed to the Honorable JOHN DAVIS LODGE, dated March 4, 1948, the Maritime Commission made the following statements:

"Misconceptions widely held on the subject of American surplus ships, the shipping needs of foreign nations, and the effects of further ship transfers, have led to unrealistic promises of savings to the taxpayer while hiding from him, or even from those who speak out on the subject, the harmful consequences to the American merchant marine.

"* * * Moreover, that we find that any dollar savings on transportation, while permitting larger purchases of American goods, will save the American taxpayer nothing at all and will not reduce the cost of the aid program to the American people but, through loss of taxes and charter hire, will actually increase it."

In further substantiation, the President's Committee on Foreign Aid, known as the Harriman committee, reported to the President of the United States on November 10, 1947, as follows:

"The limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve."

The federation has carefully computed all such costs based upon the ERP commodity schedules, existing freight rates, experience in vessel turn-around, and other technical factors with which it is customary to determine ship operating costs. Resolving every questionable factor adversely, the industry finds that the maximum possible saving in dollar costs to the Marshall plan program to be $52,700,000,000 spread over the entire period during which these ships could be utilized. A detailed estimate of how this figure is arrived at is attached hereto.

We submit that the industry itself and the Government agency charged with shipping matters are the best authorities on the subject.

3. "On the point of national security, the committee was assured by the statement of Secretary of Defense Forrestal that even the original provision for transfer and charter was no threat to American defense interests." (Report of Committee on Foreign Affairs, No. 1585.)

This statement is inaccurate. Secretary Forrestal stated in a letter of February 11, 1948, to Senator VANDENBERG that he said it was not his aim to give the impression that the charter or transfer of title of 500 vessels, or of any lesser number, will be completely without impact on our own military strength. He said there would undoubtedly be some effect.

Secretary Forrestal has also stated on other occasions:

"The dissipation of our military and naval defenses after every war has, historically, been a typically American characteristic. Only this time we cannot afford such an expensive national habit. * * *

"We had the bulwark of the British Fleet at the beginning of the last war. We won't have that protection next time. * * *"

"If we need X number of merchant ships to support operations 2,500 miles from the American coast line, we will require not twice as many but four times as many ships to support operations 5,000 miles away." (American Legion, March 1948.)

4. That the participation of American ships in the transportation of relief supplies would increase the dollar cost of the Marshall plan through higher freight rates.

What is not understood is that the cargo is carried at world rates and that American ships, which now constitute less than one-half of those engaged in this trade, must meet the competition of the foreign fleet which is fast increasing. It is admitted that the operating costs of the American ship are higher, but at the same level of revenue this only results in the foreign ship making a proportionally greater profit. This in contrast with the highly technical suggestion that the inclusion of American higher-operating-costs ships would maintain freight rates at a higher level. It is perfectly conceivable that if the American ships are forced out and the foreign ships have a monopoly, with the United States taxpayer paying the bill, we could easily have higher rather than lower rates. American ships engaged in the trade have their freight rates on bulk coal and grain controlled by the Maritime Commission, under the charter parties between the United States Government and the United States citizen charterer, so that no exorbitant or unreasonable rate could under any circumstances be charged.

5. That the United States should agree to transfer certain of its dry-cargo ships to the Marshall-plan nations in consideration of a curtailment of the shipbuilding program of these European nations.

The suggestion has already been made by the American Government to the Marshall-plan nations and definitely refused, their reason being that their shortage is in small and special-type ships of a character we cannot supply. Our authority for this statement is the report of the Harriman committee.

6. That we should not be reluctant to see these dry-cargo ships transferred to foreign flag and control, as they would (a) be returned to us at the end of the charter period, or (b) we could in any event build superior ships to replace them.

We have been able to find no one in the industry who believes these ships would ever be returned. Our experience with Russia would support this view.

The industry anticipates that at the end of any charter period some excuse will be found based on the age, condition, or some other factor, to retain the ships in foreign control for a very minor consideration. As far as the building of superior ships is concerned, this we can undoubtedly do. However, even the most optimistic viewpoint of design and economics would not permit such new vessel to compete against the present dry-cargo ships in the hands of foreign competitors with relatively no capital costs and with cheap foreign crews. Again the question is not how many ships one has as a merchant fleet but how much business there is available to keep such a merchant fleet in operation on a level of economics which may be met.

We call attention to the press reports from The Hague recently confirmed by the burgomaster of Rotterdam that the Netherlands is bartering ships to Finland, Poland, and Yugoslavia for timber, coal, and grain. While not criticizing the Netherlands for meeting their difficult economic crisis in whatever manner is available, it must be recognized that the availability of these United States ships for the carriage of cargoes to Holland would facilitate the availability of other Dutch vessels for such purpose.

7. The proposed bill authorizes the Administrator to charter such vessels to the participating nations on any terms which the Administrator may decide.

All informed persons will agree that this amounts in substance to a grant-in-aid and that no charter hire would be paid by the foreigner. On the other hand, the present United States charterers are required by law and are paying approximately $90,000 per year for each Liberty-type vessel. This, we submit, is a rank discrimination against the American in favor of the foreigner when we are comparing the cost of such transportation by the two methods. Even if the foreigner were required to pay charter hire, it would be necessary for us to supply the United States funds for such purpose.

Another instance of discrimination is removal of the American crew and the substitution of a foreign crew. The contention has been made that through the utilization of cheap foreign labor the transportation costs may be reduced. There are other offset factors which minimize this result. In any event, this is an un-American approach, and there would be equal justification to import cheap foreign labor to produce the coal, wheat, and other commodities to be shipped abroad. Aid to the European nations should be the generous act of the whole American people. It should not be visited upon the shipping industry or American seamen disproportionately and inequitably.

8. It has been argued that the prewar fleets of the Marshall-plan nations have not been restored. Therefore, in our efforts to aid their recovery we would be justified under certain conditions in contributing ship tonnage.

The federation has shown in numerous instances that the prewar fleets of these nations have been restored; that the greatest shipbuilding activity in their history is now under way; that by 1951 they will possess approximately 8,000,000 tons more shipping than prewar and a larger percentage of the estimated active world merchant fleets.

Perhaps, however, the best authority on this subject is the document forwarded to Congressman LODGE by the United States Maritime Commission on March 4, 1948, which states, "The merchant fleets of the 16 nations are already fully rehabilitated" and which is followed by four pages of detail substantiating evidence.

9. There has been a contention that the transfer of dry-cargo ships to the participating nations is essential to the successful

operation and the minimum cost of the Marshall plan.

The facts are that there is already surplus of such ships in operation to handle the flow of relief cargoes of the character contemplated which are already at peak movement. This is evidenced by the fact that approximately three such ships per day are being returned to the Maritime Commission by United States charterers due to the constantly increasing size of the foreign fleets. To charter the 200 ships now proposed would only result in immediately diminishing American participation by this amount. It is small consolation to the shipping industry and to the seamen to be told that inasmuch as the American participation is diminishing this should be accelerated. It is a small solace to the American seaman who finds himself out of a job. This, however, is the short-range problem. The main problem is how United States ships may compete in the future against such ships in foreign hands with no capital costs and low-wage crews. As to the real need of these vessels under the improved conditions of coal production and anticipated harvest, we quote from the Norwegian Journal of Commerce and Shipping, dated January 17, 1948:

"As a consequence, there should be no plausible reason for large-scale transfers of American Government-owned tonnage to European flags at this early stage. There is ample reason to await developments in this respect. This so much the more as developments during the 6 months which have elapsed since the Paris conference have shown a decided increase in the European coal output. It would appear that this tendency will prevail to an increasing degree."

10. The act as drafted by the House contains the statement that the vessels so chartered shall be "not in operation at the time of charter."

The requirement only emphasizes the misunderstanding of the subject. With sufficient vessels in service to handle all of the business the alternatives are: (a) To transfer from United States-flag management and manning to foreign-flag management and manning a ship already in operation; or (b) to take from lay-up an idle vessel, man her with a foreign crew, give her foreign management and foreign flag, and force a corresponding United States vessel from operation and into lay-up. This to be successively practiced until 200 ships have been commissioned and 200 ships have been decommissioned with a loss of employment to eight or nine thousand American seamen.

The transfer of a vessel from United States to foreign charter, with change of flag, crew, etc., would cost anywhere from twenty-five to one hundred and fourteen thousand dollars per ship, depending upon whether from active or recent operation, or from lay-up reserve. It is perfectly obvious that no sleight-of-hand operation such as the second alternative would occur. The only purpose of such a provision is the political one to furnish a basis to claim that American ships were not being deprived of employment nor American seamen of their jobs. A person with the most elementary knowledge of shipping knows that it is not a question of the number of ships but of the volume of business available to employ a number of ships.

Estimate of proposed saving in Marshall plan cost by chartering 200 merchant ships, as provided in S. 2202, sec. 111 (a) (4)

The Paris report, dated September 1947, states the need of United States flag bulk dry-cargo ships as follows:

1948	$6,300,000
1949	3,200,000
1950	1,700,000

All of the proposed charter vessels will probably not be in service before September or later; but, assuming July 1, 1948, the 200 ships could possibly under the most favorable circumstances render the following services:

	Ship-years
1948	100
1949	200
1950	170
A total of	470

The present freight rates over the range of ports from the German ports to Greece average about $8.25 per ton, including coal and grain, which are the bulk commodities. For conservative estimating, let us say that the rate is $8.50.

It is known that each ship can carry 9,000 tons of cargo per voyage, and the experience rating shows over this range of ports that five round trips per year is a liberal figure.

On the foregoing factors, our computation then reads:

Gross freight moneys paid: 470 ship-years times 5 trips times 9,000 tons at $8.50	$179,800,000
Less:	
Nontransferable cost such as United States port charges, fuel, and other expenses which must be paid for in dollars (Harriman report estimates at $3 per ton)	63,500,000
Basic charter hire at 15 percent of statutory sales price, using Liberty ships, which are the cheapest	45,000,000
Breaking-out and laying-up expense. This will vary from a minimum of $25,000 per ship if active or recently active ships are transferred, to $114,000 per ship if laid-up-fleet vessels are used. Taking the average at $50,000	10,000,000
Lost income taxes from seamen and officers	2,000,000
Unemployment compensation for 8,000 seamen for 13 weeks at $25 per week	2,600,000
Cost of bringing 8,000 foreign seamen to United States ports, wages, subsistence, and housing while commissioning vessels under charter, at $500 per man	4,000,000
Total deductions	127,100,000
Maximum saving	52,700,000

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Chairman, I shall support this amendment to the pending bill, striking out the authorization to charter 200 American vessels to foreign countries. I believe that the House committee made a very serious mistake by inserting this dangerous provision in the bill, particularly in view of the fact that the other body, after lengthy discussion and very thorough consideration of the subject, decided to omit it.

If the solemn warnings to Congress by the President and the Secretary of State that the American people are in the shadow of a national emergency are to be accepted at face value, then it would be the most destructive kind of folly to permit these ships to be taken away from us at this time. Through bitter experience in the past we have learned that the American merchant marine is a prime factor in our national defense. When we were plunged into World War II, our merchant marine was a hollow shell, and it was immediately necessary for us to mobilize the vast industrial resources of the Nation in a great shipbuilding program in order that munitions and supplies could be transported with our armed forces to the remote places of the earth where that war had to be waged. This was a tremendous undertaking, costing many billions of dollars, and the ultimate outcome of the war was delayed and endangered by our initial unpreparedness for adequate maritime transportation.

Since the shooting war ended our Government has again permitted the merchant marine to dwindle to a dangerous low level of strength. This proposal to reduce it still further by giving away 200 cargo ships can only be characterized as sheer madness.

The Maritime Commission and the American shipping industry have presented most convincing evidence to this Congress that sufficient aid in ships has already been given to the nations which would be the recipients of this additional benefit. The transfer of more ships would be gravely detrimental, not only to our national defense, but to our Nation's shipping industry, including labor as well as the ship operators.

No other economic segment of our Nation is being asked at its own expense to place the competitive industries of other nations in a better position than they enjoyed prior to the recent war. Any further transfer of ship charters at this time would constitute a threat to the security of the American people, as well as to the welfare of an industry which is one of our first lines of defense. Such a procedure would actually interfere with the maximum execution of the recovery program by delaying and disrupting the flow of relief supplies to Europe. The proposed transfer of these ships to foreign nations would enable those nations to release their own vessels for use in what they consider more lucrative activities. A study of the comparative prewar and present postwar tonnage of the nations involved shows that the majority of these nations at the present time have more merchant ships than they had prior to World War II. The claim that savings will be accomplished by putting these American ships under foreign charters has been refuted over and over again but no one has gainsayed the destructive effect upon our American merchant marine.

Those of us in Congress who represent districts bordering upon the Pacific coast are keenly aware of the hazards to which our constituents would be subjected if this proposal were carried into effect. We have bitter memories of the deplorable state of unpreparedness in which we found ourselves when the attack on Pearl Harbor occurred. This black lesson of national history must not be permitted to be repeated.

The people of my district in the great western port of San Francisco are deeply alarmed by this dangerous section of the House bill. Beyond its menacing effects upon the national defense, it would have disastrous economic results in this country. The employment of thousands of men engaged in the ship-building

trades and in the maritime industry would be jeopardized. This is a time, Mr. Chairman, when our Nation should be engaged in building a stronger merchant marine and the pending proposal to give away a large number of our few remaining ships is utterly preposterous. I earnestly hope that this crippling provision of the bill will be stricken out.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BLAND].

Mr. HAND. Mr. Chairman, if it is in order, I should like to yield my time to the distinguished ranking minority member of the Committee on Merchant Marine and Fisheries.

Mr. THOMPSON. Mr. Chairman, I should also like to yield my time to the distinguished gentleman from Virginia.

Mr. BLAND. I thank the gentlemen for their kindness.

Mr. Chairman, I could not improve the debate on this amendment if I would try to. I have been a member of the Committee on Merchant Marine and Fisheries since 1921. I came here in 1918 when we were in the midst of a war. I have said frequently that if we had had a merchant marine when World War I was threatened we would never have gone into that war. If between World War I and World War II we had provided an adequate merchant marine, I do not believe we would have engaged in the last war. Now we are guarding against a third world war.

Someone asked a question as to these being charters. Charters? Do you know that today we are trying to get back from Russia 89 ships that were allotted to her under lend-lease? We have moved heaven and earth, and the chairman of the Committee on Merchant Marine and Fisheries, the gentleman from Ohio [Mr. WEICHEL] has been trying in every way he could to get those ships back, but we have not got them back. We are still told that these ships will be given back because they are chartered, but when they are chartered, and it is said over there that they are given away, we are not going to war to get them back, and they will be lost.

Let us preserve our independence, our manhood, and our people by keeping our ships here, ready. If war comes and we have to go abroad, we want those ships. Whatever the condition is, we want the ships to protect America. I have been fighting for that since 1921 and I am willing to continue my fight.

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON. Mr. Chairman, a few weeks ago the Committee on Merchant Marine and Fisheries thoroughly thrashed out the question of advisability of extending the Ship Sales Act. In the course of our deliberations we concluded that it was wholly unwise and unwarranted to make further transfers by sale or charter or any other manner of any more of our surplus ships to foreign flags.

We heard testimony from the State Department, from ship operators, from our own Maritime Commission, and from others who were qualified to speak as experts. The State Department did not give us one single reason why we should dispose of any more of our ships except to say that they thought it was economically wise to rebuild the foreign merchant marine to its prewar level. Since this has already been accomplished and the foreign merchant fleets have already been restored, we did not regard this as a valid reason. It is apparently a little known fact that we have already rebuilt the foreign fleets. Nevertheless, it is true, and some foreign nations are already so far above their own requirements that they are chartering some of their surplus ships to still other foreign flags.

We Americans do peculiar things sometimes, and we do not always use the best judgment in making our decisions. For one thing, we are extremely generous and a "soft touch" for less fortunate nations—which they all are. We bend far over backward to demonstrate our national generosity, just as we are now proposing to do. We have another peculiar trait which prompts us to take the advice of almost anyone except those qualified to speak. We ask the man on the street how to doctor ourselves when we are under the weather. We ask the druggist for legal advice, and let the Ladies' Aid Society tell us how to defend the Nation from attack. We drive our doctor nuts when we call on him finally to undo the error we may have made when we find ourselves really sick. The lawyer all too often has to get us out of a legal jam, and by following the inexpert advice of the pacifistic idealists we have twice in recent years had to call upon the military experts to get us out of devastating war.

Now, when we are proposing to tamper with the merchant marine and to seriously impair the economics of that extremely important business, it is significant that not one single member of the Committee on Merchant Marine and Fisheries has been consulted, nor, so far as I know, have any members of the Maritime Commission, the Navy, nor any others who might qualify as experts.

We hear only vague statements to the effect that it will be more economical for us to ship by foreign vessels. I have no inclination to get you all tangled up in a mass of figures, but I do think you will be interested in a general analysis of the fallacy of this idea and in the factors which make it a fallacy.

The committee in its report says that it would be uneconomical and contrary to the best interests of the American people to prohibit the transfer of laid-up American merchant-marine ships for a limited period. Now let us see whether it would be uneconomical to make the transfer.

You will note if you read the bill that the ships in question are now laid up. They have been stripped and are not ready to go to sea. Many of them are in need of extensive overhaul and replacement of a great deal of essential equipment. All of this overhaul, all of the repair work, all of the expenses of every kind are to be paid for by the United States. The cost is variously estimated, depending upon the condition of each individual ship, at from $25,000 to considerably over $100,000. If the average is $50,000, which is extremely conservative, then the cost to the United States for this one item alone will be $10,000,000. The United States has sufficient ships under its own flag to carry the commodities provided under the Marshall plan. It follows, therefore, that if we put foreign ships in competition with our own, then our own ships will have to be laid up. Their crews will be on the beach, and they will be subject to unemployment insurance. The operators will lose the income to which they are entitled, the Government will lose the taxes; the ships which are laid up will begin deteriorating far more rapidly than they would if they were kept in operation.

In the case of the foreign ships, the United States would pay in dollars for port charges, fuel supplies, and loading. This group of items alone will run over $60,000,000, based on the expected tonnage to be handled by the ships in question.

Then there is an interesting little item of transportation, wages, subsistence, and lodging for 8,000 foreign seamen who would come to the United States ports and stand by while the vessels are being made ready for delivery. The best advice I can get on the subject indicates that this little item will cost our Government $4,000,000.

It all totals up to an outlay on our part of some $128,000,000, none of which would have to be spent if we used our own ships. I invite your attention to just one other item and it is of grave and critical importance at this moment.

There is a fleet of submarines in this world composed of the best and most modern types. There are supposed to be 200 of them and some have been reported prowling around off our Pacific coast in recent days. If we should be suddenly attacked it is very likely that these submarines would sink every vessel they could find and we would, therefore, be faced with an immediate shortage of ships with which to support the Navy and to move troops and supplies to strategic points around the world. We would then be forced to immediately start building more ships. During the last war, they cost us $1,800,000 apiece. Today they would cost a good deal more.

These particular 200 ships, scattered around among the nations of Europe, would fall an easy prey to the attacker and would very likely be sunk or taken over in large numbers. If you fritter away these 200 ships, you ought to set aside immediately the funds with which to replace them, because you are certainly going to have to do that very thing.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, I am in favor of this amendment. We need a strong merchant marine now and we may need a stronger one in the years ahead. We are building a strong merchant marine in this country and it certainly does not make sense to give away ships we may be sorely in need of in the not too distant

future. Let us do nothing to weaken this very important arm of our national defense.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I hold in my hand a copy of the Merchant Marine Act of 1936 referred to as the Magna Carta of the American merchant marine. I served 20 years on the Committee on Merchant Marine and took an active part in making this legislation possible.

The opening line of section I, of that act reads as follows:

It is necessary for the national defense and the development of its foreign and domestic commerce.

It further states that—

It must be capable of serving as a naval and military auxiliary in time of war or national emergency.

Mr. Chairman, the four main links in our national defense are Army, Navy, Air Service, and merchant marine. They are all interdependent upon each other and, like any chain, it is no stronger than its weakest link.

It cost this Government $15,000,000,000 to build a merchant marine necessary to win the Second World War. We were building ships until V-day in Europe. Every ship built in this country was in actual use by this country until that time. Mr. Chairman, Britain was building ships for her postwar trade before V-day in Europe. Not only was she building ships for her own postwar trade, but she was building ships before V-day in Europe for neutral Portugal. Britain today has a greater tonnage of better ships than she had before the outbreak of the Second World War. Sweden took advantage of her neutrality to build over a million tons of splendid ships for her postwar trade.

The proposal to transfer 200 dry cargo ships to participating nations was stricken from the bill on the floor of the other body by a unanimous vote. It may be true that we have more ships of the Liberty type than we actually need in time of peace, but in time of war we need every vessel in our merchant fleet right here in this country as our auxiliary Navy and as an integral part of our national defense. Anything may happen with world conditions as they are today. Give to participating nations money, or our products, or our wares, but in the name of common sense and national security let us keep our ships and strike from the bill the provision turning over our ships and thereby weakening our national defense.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 24, 1948.

The Honorable RICHARD J. WELCH,
The House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Being fully aware of the keen interest you take in the American merchant marine, I wish to direct your attention to paragraph (4) of section 111 of the bill S. 2202, the so-called European Recovery Act. The paragraph to which I direct your attention is found on pages 65 and 66 of the Senate act as reported to the House of Representatives.

When the Senate bill was reported it also contained a paragraph providing for the chartering, to participating countries, of a number of merchant vessels owned by the United States. We supported an amendment proposed by Senator BREWSTER which struck the provision from the bill.

The American Federation of Labor strongly urges the Members of the United States House of Representatives to drop the House provision above mentioned, which permits the chartering of 200 American cargo vessels to foreign nations, as the leasing of these vessels to foreign countries certainly will not build up the American merchant marine, and, in addition, will cause disemployment of 200 American crews.

Needless to say, the maintenance of the American merchant marine is of primary importance to our national defense and, as one of the earliest and strongest supporters of the Marshall plan, the American Federation of Labor calls for the elimination of the proposal for the leasing of American ships to foreign nations, with only the best interests of the European recovery program at heart.

Sincerely,

W. C. HUSHING,
Chairman, National Legislative Committee, American Federation of Labor.

SAN FRANCISCO, CALIF., *March 22, 1948.*

Hon. RICHARD J. WELCH,
House of Representatives,
Washington, D. C.:

Alarmed by revival in House ERP bill of plan to charter American vessels to foreign nations. Believe charter plan as recommended by House Foreign Affairs Committee dangerous to national defense as well as to security of maritime workers and industry. Long debate on plan would serve only to obstruct ERP. Charter of vessels to foreign nations, all of whom have returned to prewar maritime strength, would weaken United States competitive position. Believe that Senate, House, and President acted in best interest of Nation when passed and approved extension of Merchant Ship Sales Act last month. This act prohibits foreign sales or charters. Since charters would not accomplish savings nor expedite ERP, we request your support of ERP as set out in S. 2202 eliminating foreign charters.

HUGH GALLAGHER,
Vice President and Operating Manager, Matson Navigation Co.

SAN FRANCISCO, CALIF., *March 22, 1948.*

Hon. RICHARD J. WELCH,
House of Representatives:

As a citizen of San Francisco, in our second most important maritime State, I feel there is no valid argument in favor of chartering 200 American ships to foreign nations under ERP as recommended by the House Foreign Affairs Committee. Such charters are unnecessary to the success of the Marshall plan. No additional ships are needed for relief haulage in the Atlantic; on the contrary, ships are in need of cargoes today and will be when the plan goes into effect since no more cargoes are planned under its first year of operation than moved last year. These nations are not in need of more ships to reestablish their prewar position. With over 1,000 American war-built ships already sold to foreign nations and with the ships being built abroad, their merchant fleets are already over prewar level. Already the five ERP nations have more vessels operating in the Pacific than prewar, in purely commercial trade, having nothing to do with the haulage of relief. The change-over of such ships now would only disrupt the even flow of relief goods. The loss of immediate control over so much shipping by the American people at this time would be perilous. All of these arguments have been heard over and over by the House and Senate. Congress made its decision when it passed the Extended Merchant Ship Sales Act not 30 days ago, prohibiting any foreign sales or charters. The Senate more recently reaffirmed this prohibition in its version of the Marshall plan. You are strongly urged to support the immediate adoption of S. 2202, as it affects American shipping.

H. F. CLIFFORD,
Luckenbach Steamship Co.

SAN FRANCISCO, CALIF., *March 22, 1948.*

Hon. RICHARD J. WELCH,
House of Representatives:

We are unable to understand reported action by the House Foreign Affairs Committee recommending the charter of 200 American ships to foreign nations under ERP. It is plain that this committee has acted on last-minute pressure from the State Department, which has rightly urged prompt passage of the Marshall plan. We are in accord with the view that a reasonable aid plan for Europe should be passed without delay. However, we point out that both Senate and House have had endless hearings in which they have heard all segments of American labor, all segments of American shipping, the United States Chamber of Commerce, many local chambers, and numerous other interested and informed bodies including the United States Maritime Commission itself. Not one of these groups has failed to vigorously oppose charters or sales. Yet each of them recognizes immediate need for European aid.

The Senate and House have heard every argument from every quarter and have made their decisions. They passed an extension of the Merchant Ship Sales Act not 30 days ago. The President signed this bill. It is now law and prohibits any charters or sales. The Senate more recently went on record against any such charters or sales when it passed the Vandenberg-Connally bill. Your efforts to prevent any such charters will simply be confirmation of present law and the present Senate version of the Marshall plan and we urge you vigorously to oppose this last-minute effort to scuttle the merchant marine which would release a substantial portion of our first line of defense from the immediate control of the American people.

VINCENT P. MCMURDO,
West Coast Manager,
Luckenbach Steamship Co.

SAN FRANCISCO, CALIF., *March 20, 1948.*

Hon. RICHARD J. WELCH,
House Office Building, Washington, D. C.:

We are frankly amazed at the statement accredited by the press to a member of the House Foreign Affairs Committee that a failure to provide for charters of American ships to foreign nations under ERP amounts to a subsidy for American shipping. Apparently this statement is based on a conviction that a substantial saving can be made to the United States as a result of such transfers. Our industry, through the National Federation of American Shipping, has repeatedly pointed out to interested committees that little, if any, real saving would result when proposed transfers are considered in the light of all the circumstances. Further, any real savings accomplished would be discriminatory against American shipping, both labor and operators. No other segment of our Nation is being asked at its own expense to place the competitive industry of another nation in a position better than it enjoyed prewar. We strongly urge that you act to prevent any such charters in accord with the Merchant Ship Sales Act and the

already expressed feeling of the Senate in its passage of the Vandenberg-Connally bill. In addition to the foregoing, there of course is always the dangerous possibility of tonnage operating under a foreign flag falling into hands disadvantageous to our national security.

W. T. SEXTON,
President, Coastwise Line
(Coastwise Pacific Lines).

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Chairman, there are three good reasons why this section of the bill giving away 200 of our merchant ships should be stricken.

First. Instead of weakening our merchant marine fleet, we should be strengthening it because an army and air force overseas is helpless without a strong merchant marine fleet to supply it. In fact, our merchant marine fleet has been neglected to the point where it is now becoming serious. The President's Advisory Committee on Merchant Marine, in its report about 2 months ago, pointed out the danger signal.

Second. The paragraph clearly is discriminatory against the shipping industry and its employees. We all know that ERP will greatly benefit many types of industry, many producers of agricultural commodities, many forms of transportation, as well as other segments of our economy. Under normal course of business the shipping industry would benefit. So why penalize it and our merchant seamen.

Third. It does not make sense, in the light of world conditions, to give away a badly needed weapon of national defense, particularly in view of the fact that a ship cannot be ordered from a Sears Roebuck catalog. It takes time to build one, and time, if this country gets in trouble, is what we will need most. Recall during the dark days of 1941 that it was our old laid-up ships that really saved the day.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, a few minutes ago when a member of the committee said that this provision in the bill originated in the State Department, the cat was let out of the bag. It has been typical of the State Department in recent years to attempt to destroy the American merchant marine. In substantiation of that statement, I remind you of the astounding fact that when the ships sales bill was under consideration in the Committee on Merchant Marine and Fisheries, the State Department proposed a provision which would permit the sale of American ships to foreigners on more advantageous terms than to Americans. This charter provision is equally outrageous. These 200 ships, if chartered to foreigners, would drive an equivalent American tonnage off the seas, to say nothing of bringing unemployment to their crews.

Furthermore, the bill, as you will notice, makes no mention of the terms of the charters. There is nothing in the bill to prevent chartering these ships to foreigners at the rate of a dollar a day. If that is the sort of measure the House proposes to enact after we have spent billions of our dollars during World War II to build up an American merchant marine, then I suggest that the House is not legislating with intelligence.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I have only been in Congress for 7 years. During that period of time I have never known the State Department to represent the United States. It would be very revealing if they would turn their eyes toward the people of this Nation. They are like the well-known chameleons who, when they leave these shores, assume the colors of the country to which they are going instead of the country from whence they came. It took 800 ships, according to my friend the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT], to accomplish the Leyte invasion, and 1,200 ships from the merchant marine at Lingayen Gulf, and 2,500 ships were to be used against the Japanese mainland. You can forget about your Air Force, you can forget about your Navy, you can forget about your Army, if today you forget about your merchant ships. It just does not make sense. It is like a dog trying to run on three legs. This country cannot run on three legs as long as the State Department lampoons the people and immobilizes the merchant marine. The merchant marine is the only thing that can carry our auxiliaries and mechanisms of war wherever we may have to fight a war. You can vote today on this proposition, but remember we will have an unbalanced defense force in the event of another war. The State Department does not represent my district on the proposition in which they recommend the destruction of our merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, it is quite a commentary on the way this legislation is being pressured through that on this amendment, so vital to the American merchant marine, a gag rule of 45 minutes has been applied, and the many Members who are resolved to fight for the merchant marine have a minute and a half apiece in which to do it. Obviously no argument can be made in that time. I can only point out, as a member of the Committee on Merchant Marine, and as such, charged with a special study and special responsibility in maritime matters, that if this amendment is not adopted, it will be a knockout blow to the merchant marine of this country and will put thousands of American seamen on the unemployment rolls.

The only argument in favor of chartering the ships is economy. It is a fine time for the proponents of this bill to start talking about economy. Every move except this one has been to add a few hundred millions to the cost. But this will not save money, Mr. Chairman, not one cent. The money appropriated in this bill will be spent. It might get some more goods shipped to Europe, but it will not save the American taxpayers. On the contrary, they will lose, at least to the extent of the revenues from chartering American ships to American operators, and from taxes derived from these operations.

The merchant marine is an integral and important part of our defenses, and as such we must guard it.

The other body had the good sense to knock out this provision, and we must do likewise.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WOLVERTON].

IN FAVOR OF AMENDMENT TO STRIKE OUT OF EUROPEAN RECOVERY BILL SECTION RELATING TO TRANSFER OF 200 SHIPS

Mr. WOLVERTON. Mr. Chairman, as one of those who desire to support the foreign assistance bill, now under consideration, I am distressed to find that the bill provides for an additional transfer of 200 ships. This, in my opinion, is a great mistake. It ignores entirely the basic facts with respect to the need of any such transfer in a program of recovery for European shipping. I was a member of the Colmer committee and the Herter committee. I visited Europe. I think I know what these countries need. They do not need these 200 additional ships.

It is difficult to understand upon what theory of need the Foreign Affairs Committee decided in favor of this additional transfer. The Senate could see no necessity and accordingly voted it down. The House committee has overlooked the fact that the American merchant marine fleet has already been depleted by a transfer to European nations of 1,054 large ocean going vessels. Of course, no one would charge that the committee has intentionally sought to sabotage the American merchant marine, but, that nevertheless will be the practical effect of its latest action in further depleting our fleet.

European shipping has already had all the recovery it should have as a result of American contribution. The 1,054 ships already transferred is a very generous help toward foreign shipping. Why should there be any further help given in this regard? We should not become so zealous in our desire to help as to seriously hinder and handicap our own shipping. It has been a long hard struggle to build an American merchant marine and now when we begin to realize it we start to throw it away. It just does not make sense to anyone who thinks in terms of our own interests. European shipping has already had its recovery program. This program of further transferring ships makes us look ridiculous and it is ridiculous. All of the advantages which the sponsors of this further gift portray can be accomplished by European nations utilizing 200 of the 1,054 ships we have already given. There is a time to be generous and a time to be sensible in displaying a charitable purpose. We have been more than generous by the transfer of 1,054 ships already given. It is time now to be

sensible and withhold this additional transfer of ships.

Every Member of the House before voting to sustain the transfer of 200 ships as provided for in this bill should determine:

First. Will the charter of 200 vessels from the laid-up fleet to foreign nations affect the American merchant marine?

As an answer to this question, I submit that the charter of 200 vessels to foreign nations from the laid-up fleet will result in the immediate lay-up of at least 200 vessels presently flying the United States flag. During the last 6 months of 1947, over 370 vessels flying the United States flag were laid up in our reserve fleet. During January 1948, 58 vessels flying the United States flag were sent to the laid-up fleet. During the first few weeks of February, American ship owners informed the Maritime Commission that they are returning an additional 58 vessels for lay-up. Hardly a day passes when one or two vessels are not turned back to the United States Maritime Commission. The lay-up of American-flag vessels is a direct result of the large-scale construction of vessels abroad and the numerous transfers of American tonnage to foreign flags. There is at present an excess of large tonnage over the demand, and the American fleet being the highest-cost operator suffers all of the contraction. It is folly to suggest that vessels transferred to foreign flags from our laid-up fleet do not affect the active American fleet. Actually, if transfers are to be made, it would be wiser to haul down the American flag on an active ship and turn it over to foreign flag, since the cost of removing a vessel from lay-up for charter to a foreign government and of returning an American-flag vessel to lay-up is approximately $25,000. The cost of removing 200 vessels from lay-up for foreign charter, and of returning 200 American vessels to lay-up would be approximately $4,500,000–$5,000,000.

Second. Will the refusal of the United States Government to transfer additional vessels to foreign countries increase the cost of the European recovery program?

As an answer to this question, I submit an unqualified "no." The Congress is going to appropriate a specified amount of money for the European recovery program. Whether the goods secured under the program are to be carried in American vessels or in foreign vessels will not alter the sum appropriated by the Congress. Hence, the cost to the American taxpayer will not be increased if provisions are made for the transportation of a certain portion of the ERP commodities in American vessels. It has been argued, however, that, insofar as dollars must be used for the purchase of American shipping services, they will not be available for the purchase of other commodities. This argument is truthful, but it does not tell the full story. There is no doubt that there will be some savings in dollars if the 16 European nations were able to transport all of the ERP goods in their own bottoms. However, the savings has been greatly overestimated. Despite the fact that the State Department's original estimates ran between five hundred and six hundred million dollars, the Herter committee in its report entitled "Transportation as It Affects the European Recovery Program," comes to the same conclusion as the National Federation of American Shipping, namely, that the saving at most will run between two hundred and three hundred million dollars. As the National Federation has pointed out, the estimated saving is about 2 percent of the amount of funds to be made available under the ERP. These savings must be counterbalanced by a number of other factors. Our Nation spent over $225,000,000 training the maritime labor force we now have. Dissipation of this maritime labor force by the transfer of additional vessels to foreign countries will be a real loss to our Nation which must be counter-balanced against the alleged savings. Similarly, seamen will be thrown out of work and their families will suffer hardships. There will be the cost of unemployment-insurance benefits and the loss of the taxes paid by seamen and the business that their earnings generate. Hence, the question really before the Congress is one of balancing a small diversion on the part of the European nations from certain commodities purchases to shipping-service purchases against the great loss to our Nation. Moreover, we may well question why the American fleet must be driven off the seas while these European nations pay dollar freight for tonnage flying the Panamanian and Honduran flags which is owned by citizens of Greece, of Great Britain, of Sweden, and possibly of other European countries. If the 16 European nations are really interested in saving dollar freight, let them show their good intention by requiring their citizens to register their tonnage under their own flags.

It seems to me that European shipping has already had its ERP. Our Nation has met its moral obligation to aid in the rebuilding of the merchant fleets of our wartime allies by the transfer up to March 1 of over 1,054 large ocean vessels aggregating in excess of 8,000,000 dead-weight tons. As a result of these transfers and of expanded shipbuilding programs, the ERP nations today have considerably more large oceangoing vessels than they had before the war. If other industries in western Europe had similar recoveries there would be no need for any European recovery program today.

American shipping and shipbuilding in contrast has suffered a serious decline. Because of these transfers and European launchings, the American bulk-cargo fleet in foreign trade has declined from 1,500 vessels last July to less than 900 today. This has meant large-scale unemployment amongst seamen, ship-repair workers, and has affected a host of industries related to shipping and shipbuilding.

It is important to point out that the exceptional revival of the European merchant fleets in regard to large vessels has been obscured by the tendency of our State Department and the sponsors of this bill to emphasize over-all tonnage figures. It is true that the European fleets are deficient in certain types of vessels, largely small vessels for short trades and passenger vessels. We have no vessels of this type available for sale to these nations. Nor will the transfer of additional vessels of the 10,000-ton category compensate for the lack of these particular types of vessels.

Further transfers of large vessels will, however, result in the immediate lay-up of at least an equal number of vessels operating under the American flag injuring the long-range prospects of the American merchant marine, reducing the revenue to the United States Treasury from charter, hire, taxes, and so forth, and causing additional wide-scale unemployment in the maritime industry.

Answering Secretary of State Marshall's letter of February 17 to the chairman of the Committee on Merchant Marine and Fisheries, I am at a loss to understand the logic of the State Department in this matter. The State Department says that there is 14,000,000 dead-weight tons of vessels idle in our laid-up fleet, and urges, since the American operators have no demand for these vessels, that we transfer some to foreign flags. The precise reason that American operators cannot utilize these vessels is the numerous transfers that have already been made. Further transfers will proportionally reduce the number of vessels now active that American operators can economically employ. The logic of the State Department followed to its conclusion will lead to the complete destruction of the American merchant marine.

There is no subject to which the Congress could more properly devote its attention than that of keeping alive the American shipbuilding industry and the building up of a merchant marine, commensurate with the size and importance of our Nation, adequate to meet the demands of peace and capable of being quickly expanded in time of war.

Just recently the Joint Congressional Air Policy Board, of which I had the honor and privilege of being a member, rendered to the Congress its report on the condition of our aircraft-manufacturing industry, the necessity of keeping it alive and ready to go at a moment's notice. The necessity of maintaining at all times a strong and up-to-date commercial air-carrier industry as well as fighting air force. The Air Policy Board was created by Congress because it was apparent that the aircraft-manufacturing industry was on its last legs, ready to die, unless help came in the form of an expanded program of construction.

The shipbuilding industry and our merchant marine are in identically the same condition as our aircraft industry. It is gasping. It is dying for lack of work. No one will deny that it is important to the economy of our Nation as well as our national security. In peace or war it is an absolute necessity and must be preserved with the same care and interest as we have displayed toward the aircraft industry. Both industries are in the same category of importance to our national welfare. Both should have the same consideration.

The report of the President's Advisory Committee on Shipping recognizes the importance of the shipping industry and

the necessity to give it new life. It recommends a program of ship construction, all too small, it is true, but, nevertheless, leaves no doubt as to the necessity for such a program.

Other countries, even the very ones that are seeking financial and other relief from us, are engaged in shipbuilding programs. As an illustration, Great Britain and Ireland, as reported by Lloyd's Shipping Register, were building more than half of the 3,846,656-ton total of new merchant shipping under construction throughout the world on June 30, last. British shipyards at that time had under construction merchant ships totaling 2,062,949 gross tons—53.6 percent of the world total. This figure marked the greatest activity in British shipbuilding since 1922.

At the same time as the British yards were showing this shipbuilding activity the United States was constructing only 183,236 tons, about 9 percent of the British construction program.

The figures of ship production in other European countries when compared with our own are likewise disturbing—Sweden, France, Holland, Italy, likewise exceed our total tonnage of construction. Merchant tonnage under construction in British Dominion likewise exceed our own. Our construction exceeded only that of Denmark and Spain. This presents a sorry picture.

The Secretary of State says that the sale of our surplus vessels will produce revenue to the United States Government and reduce the cost of the foreign assistance program. Since most of the sales to date have been on credit, and since the chartered terms in regard to the 200 vessels whose charter the House Foreign Affairs Committee has authorized is uncertain, I find that the net result will be a loss rather than a gain in revenue. At the present time, American operators of these vessels are returning to the Treasury in the form of charter, hire, and taxes, millions of dollars each month. In regard to the increased cost of foreign-assistance programs should the Congress refuse to transfer further vessels, I have watched the extravagant estimates of certain agencies which originally totaled as high as $600,000,000 reduced as more and more facts were brought to light until we are told today that the alleged saving would be in the neighborhood of $100,000,000. I seriously doubt whether there would be any savings to this Nation.

The estimates in regard to savings flowing from the charter of 200 vessels fail to take into account the revenue now derived from the operation of a like number of ships under the American flag, the charter hire, the taxes, the earnings of seamen, and the general beneficial economic results that flow to a large number of industries and areas of our country. The estimates fail to take into account the increased cost of unemployment insurance for our maritime workers and the wasteful dissipation of a skilled maritime labor force built up during the war at a cost of over $225,000,000 which would result from further transfers.

The Senate has on two different occasions voted unanimously to bar further transfer of American vessels. Less than 2 months ago this House, by a unanimous vote, took a like position. The action of the Senate and our prior action was based on sound reasoning. The proposals of the State Department, as embodied in the bill brought forth by the House Foreign Affairs Committee, on the other hand will seriously overtonnage the world merchant fleet with large vessels permanently impairing the opportunities for the development of the American merchant marine and the American shipbuilding industry.

I urge the Members of the House to reaffirm their previous decision and to eliminate the proposal contained in the bill to charter 200 vessels to foreign flags. I further urge the Members of the House to join with the Senate in providing that a reasonable proportion, a minimum of 50 percent, of the commodities to be exported under the European recovery program from the country be carried on American bottoms.

Mr. JUDD. Mr. Chairman, I rise in opposition to this amendment.

There are three basic reasons why it should be defeated. First, to save money; second, critical raw materials; and, third, national defense.

The American merchant marine must have a subsidy. There is not a man or woman in this House who disagrees with that. I will vote for whatever subsidy is necessary to give us the strongest merchant marine in the world. On the same basis that we vote direct subsidies to farmers to carry out price-support programs, the merchant marine ought to have a direct subsidy to the operators so that they can pay the wages that the American merchant seamen ought to have. But we should do it in a direct manner and not in disguise in the European recovery program. We should not go before the American people and ask them to give several billion dollars to put European countries on their feet, and then use several hundred millions of it as a subsidy for our own merchant marine. Furthermore, a sensible subsidy should be for the long-term world trade and not for this temporary program. When it ends we will be right where we are now, or still further behind.

A second way in which this amendment will increase the costs of shipping is that if the Administrator does not have this cushion to permit him to charter to the participating countries up to 200 vessels if needed, you know very well what will happen to the market rates for shipping. When UNRRA was enacted, the market rates went from $8 to $12 per ton in a few weeks. Every private American shipper as well as the Government had to pay 50 percent more for everything he shipped anywhere, because there was not a cushion of expanded carrying capacity to give the Administrator a chance to hold down the rates.

We ought to have high wages for American seamen, but we should do it outright and not in this bill for European relief and recovery.

It is because those countries cannot get our old ships that they are building new and better ships, while we hang onto our obsolete ones and do not build new ones. They build new ships with critical raw materials, that we need here at home. With market rates set to take care of Uncle Sam, the highest cost operator in the world, the other countries can more than compete with us. They can make a killing with their lower costs when rates are even $8 a ton, as at present, not to mention the $10 or $12 a ton to which they will probably go if this amendment is adopted. They are already making such a killing, at the expense of our taxpayers. Again, if you are worried about the argument that this provision in the bill will weaken our national defense, look at the statement of Secretary Forrestal on February 11. Surely no one can accuse him of being less interested in our security than any person here, yet he said that in his opinion by the charter or transfer of title of up to 500 vessels we stand "to gain more from an over-all national security standpoint than we stand to lose." Our bill as it is, authorizes only the charter and of not to exceed 200 ships. That will strengthen our national defense and not weaken it. The vessels are better off and more readily available if in operation by our allies than they are rotting away in the James River, or elsewhere, as are some 1,200 other vessels.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that the 1½ minutes allowed to me may be assigned to the gentleman from Maryland [Mr. SASSCER].

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SASSCER. Mr. Chairman, our merchant marine has traveled a tortuous and difficult path through the years. It is a vital part of our secondary defense. We have been loaning money to other countries to subsidize their merchant marine. That merchant marine is in competition with ours, which is but partially subsidized. It is my honest conviction that if we turn over these 200 ships we do not help European recovery. We will hinder European recovery, because by our so doing we weaken an important part of the fabric of our own economy, which naturally reflects itself throughout the world.

I think it is important and vital for us to keep these ships, and I hope this amendment will prevail.

The CHAIRMAN. The gentleman from South Dakota [Mr. MUNDT] is recognized.

Mr. MUNDT. Mr. Chairman, this issue has been greatly confused during the debate this afternoon. It is not a question of dismantling the merchant marine at all. Nobody proposes to scuttle or even reduce our merchant marine. It is a question of taking 200 ships which are not now being used and loaning them to countries which can use them at a considerable saving to the American taxpayer, in order to have this legislation do what it was designed to do—that is, to strengthen the friends we have in Europe.

At no time is it contemplated scuttling the American merchant marine. It is utilizing ships that are not being used. Eighty percent of the present cargoes of

our American merchant marine is comprised of foreign relief, paid for by American taxpayers. Those who want to see the taxpayer get his money's worth in this program will vote to continue the legislation as it now is.

I agree with the gentleman from Minnesota [Mr. JUDD]. I want a strong merchant marine and I will vote to subsidize it to any extent necessary to keep the merchant marine strong, but I do not think we should raid a bill of this kind simply because special interests want to get the last pound of flesh which is available to them through refusing to loan idle merchant ships to friendly neighbors so as to reduce by some $600,000,000 the burdens of our American taxpayers.

These 200 ships are being taken from a pool of ships not now being used, to loan them over to friendly countries, where they can use local currency, local sailors to ply the oceans without charge to us. It saves the American taxpayer most of the cost of transporting our supplies to the countries requiring and meriting our assistance.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. MUNDT] has expired.

The gentleman from Ohio [Mr. VORYS] is recognized for 1½ minutes to close the debate.

Mr. VORYS. Mr. Chairman, the committee's provision on shipping is based on this simple proposition, that people who get relief ought to haul it away at their own expense. On the other hand, this amendment proposes that the shipping interests, owners, and seamen, want to profit by relief at the expense of the American taxpayers.

We need a merchant marine but we ought not to subsidize it by loading hundreds of millions of extra dollars of relief costs for the merchant marine on to ERP.

The State Department says this proposed amendment might cost as much as $600,000,000. The shipping interests appearing before the committee said that it can only cost our taxpayers $200,000,000 more.

As for defense, Secretary Forrestal has shown that the chartering of these ships would add to the strength of our defense. It is inconceivable that with a privately owned fleet of nearly 11,000,000 tons we would need for defense these 200 ships that are not now being used. While the special interest flag-waving plea is very strong here, let me assure you that if you vote down this amendment you will not be striking at national defense, because line 11 of the committee bill provides that the President may terminate any charter when it is necessary in the interest of national security.

Defeating this amendment will save the taxpayers upward of $200,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 165, noes 32.

So the amendment was agreed to.

Mr. COLMER. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 65, lines 5 and 6, strike out the comma and the words "merchant vessels authorized to be chartered under paragraph 4 of this subsection."

Mr. COLMER. Mr. Chairman, I think the reading of the amendment is sufficient. Since the amendment striking out subsection (4) was adopted a moment ago, these words in the bill are surplusage.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. BRADLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRADLEY:

On page 65, line 15, strike out the words "a substantial portion" and substitute in lieu thereof the words "at least fifty per centum."

Page 65, line 18, strike out the words "dry cargo."

Mr. VORYS. Mr. Chairman, in view of the fact that this traverses much the same matter that has already been debated I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BRADLEY. Mr. Chairman, the purpose of this amendment is to accomplish exactly what most of us think the language of the bill means, but what the Administrator of ERP may not understand it to mean. I have little doubt but that our Committee on Foreign Affairs wants American shipping given a fair share of these American cargoes, but I submit that the words "a substantial portion" are meaningless if interpreted by an unsympathetic administrator. They may call for 75 percent, or for 10 percent, insofar as official compliance with the law is concerned.

It has been the consistent policy of the Congress to protect American industries from cheap foreign competition. When the Congress considered a matter somewhat similar to this in 1934, it passed Public Law 17, which declared:

It is the sense of Congress that cargoes purchased with American Government loans will move 100 percent on American vessels.

I appreciate that the "sense of Congress" is not a hard and fast requirement but, nevertheless, I invite your attention to the fact that this declaration is still on the statute books—it is still the law of the land—and, furthermore, that it was passed by a New Deal Congress—a Congress supposed to be much less sympathetic in industry than this Republican-dominated House.

When ERP legislation was under consideration in the other body, a 50-percent requirement was written into the bill on the floor without opposition. The amendment which I now offer brings the language of this House version into conformity with the bill as passed by the other body insofar as this provision is concerned.

If there is any one just criticism of this amendment, it is that the 50-percent requirement is too small. Just consider what it will accomplish. It does not require that American vessels carry one-half of all cargoes shipped out of the United States, although that would seem to be a fair request. It does not suggest that American vessels be given one-half of cargoes purchased with our money for European relief, wherever they may be obtained, although that also might be regarded as a fair request considering that American taxpayers foot the bills. Not at all. Not those things that would make common sense to the common man, but rather it assures Americans of only a few crumbs from the big loaf we are now baking to send abroad.

Please note carefully. This amendment requires only that American vessels shall carry one-half of the gross tonnage of commodities procured within the United States, out of funds made available under this title, and transported abroad on ocean vessels, and please note carefully once more—to the extent such vessels are available at market rates. Is this asking too much for our own people? Is this simple requirement going to make the law difficult to administer? Why, a good, competent, American moron could administer this simple provision of law, and I trust that the Administrator will have assistants above that level of intelligence. You may be told that this amendment will boost the cost of shipments. Just how? The language is plain—at market rates—and it is just plain horse sense that if we do not pay market rates to our own shipping, and to our own seamen, we will pay the same rates to foreigners.

No, Mr. Chairman. There are no real technical difficulties and no real additional expense features in this amendment. The objections boil right down to a steadfast determination on the part of the State Department to give American dollars—your dollars and my dollars—to foreigners to bolster their dollar exchange. I have heard this matter thrashed out with representatives of the State Department in the Merchant Marine and Fisheries Committee, and that is the only logical conclusion I could reach. It is the State Department's thoroughly un-American approach to the thoroughly American problem of maintaining an adequate merchant marine under the Stars and Stripes. It would hand the very livelihood of thousands of Americans to foreigners of many lands.

Mr. Chairman, I hope those who believe in the American way of life will rise here in support of this amendment.

Let us keep at least a thin slice of bread for the American seaman and his family. Let us remember that we are Americans.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment presents an administratively impossible monstrosity to the Administrator. He would have to be more than a moron. He would have to be an Einstein to figure out this business of 50 percent of ton-

nage on American ships. Of course, it will mean that in order to be on the safe side he will have to put more than 50 percent of the tonnage in American bottoms, thus carrying on what the House has apparently decided should be done, a relief program, a WPA program for American shipping interests, at the expense of the taxpayers. I am not speaking for the State Department. I am speaking for parts of the country that do not have shipowners and seamen but like to see their dollars used in the most efficient manner rather than as an indirect subsidy to a special interest.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from South Dakota.

Mr. MUNDT. I would like to point out to the House that there is a joker in the amendment offered by the gentlemen from California which will come back to plague some of these gentlemen representing the eastern seaboard, and who so enthusiastically voted for the Colmer amendment. He has stricken out the words "dry cargo" which means that those tankers which you will need so badly to bring fuel oil to New England and the eastern seaboard areas next winter will not be available if you vote for the amendment, because he says that at least half of the tankers have to be used to export supplies to Europe. I caution you gentlemen from New England, who will be pleading next fall for oil, that if you vote for this amendment you will have nobody but yourselves to blame for it, for you are thereby saying that at least half of the tankers to be used in this program to carry fuel and supplies to those European countries must be our American tankers so badly needed here at home. In addition to that, let me point out that what the gentleman from Ohio has said is completely true. This simply makes it more of a WPA project for the shipowners and the ship unions, because it says that not only can we not lease any of these vessels to foreign countries, but at least half of the shipments have to be made in American ships.

Your committee has conscientiously tried to weed out all of the special selfish-interest aspects of this measure. We have attempted to make it what it purports to be, a measure protecting the security of this country and not relief or subsidy for any special interest or any selfish group. But I want to emphasize the importance of at least keeping the tankers available to supply fuel oil for New England, and you people who pleaded so energetically to defeat the committee on the earlier amendment and now support this one will have an explanation to make to your constituents when they are cold next winter. Those of you from communities receiving your gasoline or fuel supplies in tankers better speak up now or forever hold your peace.

Mr. VORYS. Mr. Chairman, I want to make a sporting proposition to the House. Here is a 50-percent proposition in this amendment. You voted in one amendment on behalf of the shipowners and the unions. Now vote down one in favor of the taxpayers. Vote this one down. There is a 50-50 proposition.

Mr. MEYER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MEYER. Mr. Chairman, I shall vote for this European recovery program. That blunt statement is not to be construed as indicating that this has been an easy decision for me to make. It has been anything but that. I can think of no question or problem which has given me more concern than that posed by this measure. It is the most momentous and soul-wracking issue ever presented to me, in Congress or out. I know that I do not stand alone in this feeling, that many of you are perturbed by the magnitude of the problem with which we are confronted today.

Let me say here, Mr. Chairman, that the mass of unbridled and ofttimes wantonly raw propaganda that has drenched the country in behalf of this program has served much to becloud the issue and has made more difficult the making of a fair appraisal of such merits as the program may have.

Throughout the long period I have devoted in discussions and in following the hearings and the debate on this proposed foreign policy for a postwar recovery program, I have endeavored to maintain an open mind despite the resentment aroused by the propaganda for it and in spite of my feeling of skepticism for this approach to the world problem of Russian aggression which threatens to enshroud not only Europe but the world.

This skepticism has not been assuaged by the realization that we are now harvesting the bitter fruit of appeasement sown in secret agreements at Yalta, Tehran, and Potsdam. Neither has it been dissipated by our senseless policy of opposing Russia with the expenditure of billions of dollars of the taxpayers' money and at the same time permitting a continuance of the shipment of the sinews of war to this potential enemy.

The idea of foreign loans and gifts of additional billions of dollars from American taxpayers is repugnant to all my preconceived thinking. I am one of those who feel that Europe should realize that America canot become an international Santa Claus; that there is a bottom to our barrel of resources; and that the people of Europe should face up to that fact and rely upon their own initiative and will to do in their reconstruction plans.

But, Mr. Chairman, because of the abuses and inconsistencies of our foreign policy here we are, sitting on a powder keg with the world aflame and we must act. I can, therefore, see no alternative for us now at this late hour but to accept this program as a calculated risk which we must take. I am especially persuaded toward this conclusion by the fact that the measure before us specifically spells out a provision that the program shall be effectuated by an Administrator separate and apart from the State Department.

I am one of those, too, Mr. Chairman, who believes that a Representative in Congress should be just that—that he should represent as much as possible the majority view of a cross section of the thinking of the people of his district. To that end, following the President's message on March 17, when he gave dire warning that we are on the verge of war and urged early enactment of this European recovery program, I polled some 2,000 people in my district in all walks of life. Their interest in this vital question is indicated by the flood of prompt responses which I received. Throughout these returns there runs this common theme—that they are perturbed and have many misgivings as to the course we should pursue. Many wrote letters amplifying their views. A preponderant number joined in the feeling that we cannot now afford not to try this program in the face of world conditions as they confront us. One businessman and civic leader put it in a nutshell and voiced this preponderant opinion when he said:

> In the light of what has been published and with a feeling of hope rather than conviction, it seems to me that the Marshall plan probably is worth the risk involved. As to the amounts that should be allowed, I am willing to accept the judgment of the Congress. In general terms, it seems to me that a rather liberal maximum should be set with the idea that we can afford to be generous if the plan works but that there should be safeguards so that we can call a halt if the plan does not work or the recipient countries do not play their part.

And so, Mr. Chairman, fortified with this poll of opinion from my home folks I must, as a Member of Congress, meet the issue presented. Repugnant as is this program of embarking upon another large grant of billions for foreign aid, I must assume my responsibility and weigh the possible benefits as against the ills of such a program. After prayerful consideration, and with due regard for the thinking of my people, I have come to the decision that the future security of these United States and the possible prevention of the further spread of communism, with the implications of the prevention of a third world war, by the enactment of this so-called Marshall plan, will outweigh the drain upon our domestic economy and financial resources.

I have come to this decision with a feeling of hope rather than conviction. This feeling of hope is bolstered by the opinion of a great American, Herbert Hoover, who in his recent letter to the Speaker, gave his views and recommendations on the Marshall plan and came to this expressed conclusion:

> I realize that many approach this gigantic experiment with great apprehension and a realization of the sacrifices it will mean to our people. All legislation must be the result of compromise. However, if it should produce economic, political, and self-defense unity in western Europe, and thus a major dam against Russian aggression, it would stem the tide now running so strongly against civilization and peace. The plan, if well devised and under a capable administrator, stands a good chance of success. I believe it is worth taking the chance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BRADLEY].

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 68, line 18, after "prescribe", insert "in regulations promulgated by him with the approval of the Comptroller General of the United States"; and on page 68, lines 19 and 20, delete everything after the word "title."

Mr. JUDD. Mr. Chairman, the committee has no objection to this amendment. It was worked out by the General Accounting Office.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. ISACSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISACSON:

On page 74, line 13, insert the following new subsection of section 111:

"(d) No portion of the funds or any other assistance authorized under this act shall be available for the procurement of petroleum or petroleum products from Middle East sources or for financing or in any other way assisting the exploitation and development of Middle East sources of petroleum or petroleum products. For the purposes of this title the Middle East shall include Saudi Arabia, Yemen, Iraq, Iran, Kuwait, and Bahreen."

On page 74, line 25, after "United States", insert "and the Middle East."

The CHAIRMAN. The Chair will advise the gentleman from New York that the last part of the amendment just reported, applying to line 25 on page 74, is part of section 112. That section has not yet been read, so that part of his amendment cannot be considered at this time.

Mr. ISACSON. Mr. Chairman, I ask unanimous consent that both be considered together.

Mr. VORYS. I object, Mr. Chairman.

Mr. ISACSON. I will speak on the first part of the amendment.

The CHAIRMAN. The gentleman will have to ask unanimous consent to modify his amendment so as to consider only the first part.

Mr. ISACSON. Mr. Chairman, I ask unanimous consent that my amendment be so modified.

Mr. VORYS. I object, Mr. Chairman.

Mr. BLOOM. I hope the gentleman will not object.

Mr. ISACSON. Mr. Chairman, I offer my amendment again.

The CHAIRMAN. With the latter part deleted?

Mr. ISACSON. With the last part omitted.

The CHAIRMAN. The Clerk will report the amendment as now offered.

The Clerk read as follows:

Amendment offered by Mr. ISACSON: On page 74, line 13, insert the following new subsection of section 111:

"(d) No portion of the funds or any other assistance authorized under this act shall be available for the procurement of petroleum or petroleum products from Middle East sources or for financing or in any other way assisting the exploitation and development of Middle East sources of petroleum or petroleum products. For the purposes of this title, the Middle East shall include Saudi Arabia, Yemen, Iraq, Iran, Kuwait, and Bahreen."

Mr. ISACSON. Mr. Chairman, my amendment would forbid the use of Marshall-plan dollars to buy Arab oil.

On Monday, March 22, in addressing this body, I charged that the administration's betrayal of the Palestine partition plan was compelled by the powerful oil lobby. I presented a factual indictment of the dealings of the Arabian-American Oil Co. with the Grand Mufti of Araby, which I challenged President Truman to deny. There has been no denial.

On Wednesday, March 25, in addressing this House further on this subject, I made an even more serious charge. I stated that the administration has abandoned the United Nations partition plan for Palestine as a direct corollary of this foreign-assistance bill under consideration. Again there has been no denial.

To support my contention, I cited section 112 (b) of the bill which directs the procurement of oil from sources outside the United States. In answer to the question "What sources outside the United States?" I cited the report of the Committee on Foreign Affairs, page 10, which reads as follows:

Petroleum, too, will furnish peculiar difficulties which are not rendered easier by the existing threats of political chaos in the Middle East, centering on Palestine. The whole European-recovery program depends in considerable measure on the development of the exportable oil of the Middle East in the next 3 or 4 years, since, without oil, not only its industrial users but transportation will be seriously crippled.

This language clearly established why the Jewish state was being betrayed.

This language clearly established why the United Nations was being destroyed.

This language clearly established why the plighted word of the United States was being broken.

The deal is simplicity itself. Aramco, with its new pipe line through the Arab nations, will produce oil cheaply. The Marshall-plan nations armed with 4,000,000,000 Marshall-plan dollars—out of a total $17,000,000,000 program—specifically allocated for the purchase of oil outside of the United States of America under section 112 (b), will buy the oil at tremendously high prices. Result: Millions of dollars' profit for the oil interests.

Thus the Truman administration not only betrays the Jewish people, the American people, and peace itself, but asks that the American people spend billions of dollars so as to make possible this betrayal which is so highly profitable to a few oil corporations.

Nor is this a minor aspect of the Foreign Assistance Act of 1948. All the studies behind the Marshall plan and the ERP have studiously avoided giving full information on anticipated expenditures for petroleum products and facilities. But the basic truth cannot be concealed: that more than one-fifth of the ERP outlay is intended to return to the coffers of American oil interests.

Five large American oil corporations are principally involved in the lavish expenditures of billions of dollars for oil procurement primarily from the Middle East and the Caribbean.

These include first of all the Standard Oil Co. of California and the Texas Corp., who jointly hold the huge concessions in Saudi Arabia and the Bahreen Islands. Two additional oil companies, Socony—short for Standard Oil Co. of New York—and the Standard Oil Co. of New Jersey have recently arranged to buy into the huge Saudi Arabian oil concession. These two companies also share in the huge Iraq oil concessions.

The Gulf Oil Co. and the Shell Co., a private British-Dutch oil monopoly, hold the remaining shares.

These five American oil companies will be the principal beneficiaries of the billion dollar oil expenditure under the Marshall plan.

"The public be damned" was the old motto of the trusts. "The peace be damned" is their new motto.

How lucrative the Middle East oil profits will be is apparent by the startling revelations which the National Defense Investigating Committee made last year in testimony which showed they were charging the American Government $1.05 a barrel for oil which cost them about 40 cents.

When one considers how successful these companies have been in making huge profits on direct Government purchases it is clear that there will be even greater possibilities for profits under the indirect purchases and loose methods of ERP.

The purpose of my amendment today is to put a stop now to this whole deadly game by prohibiting the use of any ERP funds for financing Middle East oil imperialism.

It is my conviction that if this amendment is accepted, we shall see an early end to the current outburst of war hysterics and a resumption of our Nation's now-abandoned humane solution of Palestine.

If this amendment is accepted, the "peace be damned" imperialists will have lost their major objective—profits!

Yes, take the profits out of betrayal and we may yet witness a restoration of the partition plan for Palestine.

Take the profits out of betrayal and we may yet return to the security of a strong United Nations.

Take the profits out of betrayal and we may yet—yes, even yet—avoid the horrors and destruction of total war and once more tread the narrow path of peace.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JACKSON of California. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Chairman, I rise in opposition to the amendment just offered by the gentleman from New York. The amendment, as he says, does simply one thing, and that is, that it denies to this country the right to purchase oil in the Middle East with ERP funds. I say it does one thing more. It cuts the throat of the United States of America. It does that immediately his amendment is adopted. The amendment deprives the United States of the ability to maintain itself as a strong Nation and as the only hope of the world today. It renders it impossible for us to obtain from the Middle East any oil under this program. Which means that all of the oil to be provided ERP countries would of necessity have to be diverted from our own critically short supplies.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I would prefer to continue.

Mr. BLOOM. It does not prevent us from buying oil over there. It prevents us from using this money to buy the oil. That is the way I understand it.

Mr. JACKSON of California. That is one interpretation.

Mr. BLOOM. I do not want the impression to go out that we could not buy any oil at all, but the money appropriated under the Marshall plan cannot be used.

Mr. JACKSON of California. The purpose of the amendment, whether expressed or not, is to prohibit purchase by this country of Middle East oil.

The Secretary of Defense has stated before the Committee on Foreign Affairs that denied access to the oil of the Middle East we would be unable to run our peacetime economy today, let alone any possible wartime economy. Industrial production in this country is so high at the present time that it is essential that we obtain every drop of oil and petroleum products possible from every available source.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I prefer to finish first.

We are talking about a 70-group air force and talking about the enlargement of the Military Establishment, if it becomes necessary in the light of present circumstances. Failing access to the oil, what will we put in the gas tanks of the planes, the tanks and the ships—Coca Cola? It is going to take gas and petroleum products and oil from every source in the world to run in high gear today in the face of Red aggression. We cannot place manacles upon our hands as we approach the realities of a world in turmoil, where conquest and force run rampant.

If for no other reason, this amendment should be defeated, because it is an attack upon not only this program but upon this country as well. It is part of the pattern of planned chaos that we have seen in the past and that we shall continue to hear on the floor of this House. Here is an opportunity for this House to stamp its condemnation on words which might have appeared in the Daily Worker or which might have been spoken through the propaganda pipe lines from Moscow.

Mr. ISACSON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. Yes, I yield.

Mr. ISACSON. Are you trying to tell this body that any resolution aimed against the Grand Mufti, against the Arabs, against the utilization of oil for the slaughter of innocent Jewish settlers is a resolution against the interest of this Nation? Is that what you are telling us?

Mr. JACKSON of California. I am telling the gentleman only that the national interest of the United States of America and the national defense of our country is of prime and total importance to me. I see in the gentleman's amendment a direct attack against those things. Therefore, I ask for a unanimous vote against the amendment.

The CHAIRMAN. The time of the gentleman from California [Mr. JACKSON] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. ISACSON].

The amendment was rejected.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman—

> The moving finger writes, and having writ,
> Moves on: Nor all your piety nor wit
> Shall lure it back to cancel half a line,
> Nor all your tears wash out a word of it.

Upon the pages of history for three long years the "moving finger" of events has written the garbled, contradictory and incomprehensible record of waste, error, and futility known as the bipartisan foreign policy, spearheaded by the Democratic New Deal and tail-feathered by Republican internationalists. With it has gone $20,000,000,000 worth of our Nation's resources and the industry of the Americans who have likewise paid for it.

The continually repeated objectives of this policy were to stop communism and prevent another war, objectives with which no good citizen could quarrel. Yet, now, after 3 years, we are further from the attainment of these ends than ever.

Do not take my word for it. Examine the sad admissions of the two men who have led the parade—President Truman and his Secretary of State Marshall.

The speech of the President to the joint session of this Congress on March 17 of this year was the nearest acknowledgment that this country is in imminent danger of war that could be made in high diplomatic language.

As for stopping communism, 2 days later, March 19, at Berkeley, Calif., Secretary Marshall said:

> Never before in history has the world situation been more threatening to our ideals than at the present time.

Have there ever been, in human experience, greater acknowledgments of failure, or more unqualified indictments of their own policies, than the statements of these two men?

That is the record. Neither the piety of starry-eyed global operators nor all the wit of New Deal speech and propaganda writers shall lure the finger back to cancel half a line of that record nor all your tears and all mine wash out a word of it.

Who keeps telling us democracy can be saved only by preventing another war? The same people and their prototypes who twice previously, with an interval of a quarter of a century, told us the only way to save it was by fighting two wars.

What did these people tell us we would get out of the last of these wars? A brave new world. This is it. What do you think of it? The Atlantic Charter. Does it even exist? The four freedoms, including freedom from want and freedom from fear. Was there ever a time when want and fear were so rampant in the world as today? American world leadership. How do you like the kind you have had so far?

It is these same people who for 3 years have been skipping happily along behind the bipartisan foreign policy to stop communism and prevent war, strewing roses of hope, violets of faith and lillies of optimism.

Since World War II, from a constantly deteriorating position of military, diplomatic, moral, and economic strength, we have spent carelessly, unwisely, and lavishly of our precious material resources; we have scattered our little forces abroad to so many places, in so many directions and for such devious purposes that we are dangerously extended and weak; we have bungled our diplomacy inside and outside the United Nations organization; we have insisted upon following commitments made secretly, ratified treaties, and dispensed still more of our precious resources to strengthen the one powerful nation fostering the very communism we said we were trying to stop; we have neither obtained nor tried to obtain military concessions or advantages to protect our own people in return for the billions of their money we have spent; we have poured materials into outposts on the doorstep of a potential enemy for that enemy to take over whenever it wills, with nothing to support those outposts nearer than the Western Hemisphere.

We have done those things which other nations wanted us to do and we have left undone those things which we ought to have done for our own. There has been no health in this bipartisan foreign policy.

Time and again, in public utterances, statements to the press and on the floor of this House, I have pointed out the inefficiencies, inconsistencies, failures, wastefulness and double talk of this bipartisan foreign policy. I detailed instances, figures, and facts. So have many other Members of this House. It would serve no purpose to set forth a lengthy review of these here.

If the record of our bipartisan policy is not one of outright treason, it at least is one of astounding duplicity. If it is not one of unconscionable deliberate dissipation of our national wealth, it is at least one of amazing incompetent waste. If it is not one of actual puerile nonsense, it is at least one of impracticability scarcely worthy of adult minds. If it is not one of deliberate evil doing,

it is at least one of misguided and erroneous intention, the latter having the same result as the former. When somebody stabs you in the back by mistake it makes just as big a hole as if he did it out of pure malice.

Why, then, should I vote for this bill, as I intend to do.

Because we are so deeply involved now that to try to suddenly and violently tear ourselves loose appears to me as disastrous a course as that which has gotten us into the mess. I must look at the situation as it is, not as it might have been had some of us prevailed in our previous efforts to keep it from getting that way. This is no time to say "I told you so" and wash my hands of the whole matter. The provisions of this bill, although complex, are highly superior to the awful Marshall plan which would put us in the bag for $17,000,000,000 more to be wasted by the State Department without the slightest regard for the safety, interests, and economy of our own Nation nor for the only thing that is certain—change; change in conditions here, in the participating countries and throughout the world. While I certainly do not like more Truman doctrine, and while I would like to detach some of the provisions of the bill so that child welfare, economic aid and military meddling are not all tied up in one inseparable bundle, nevertheless, I am forced to take it all or leave it all.

My record will show that I am not opposed to reasonable help to the suffering in other parts of the world nor to friendly nations. But it will show that I have opposed the purposeless prodigality of measures which have heretofore been adopted and much concerned about that characteristic in the administration of the rest.

Whether this 4-year program regardless of the provisions of the bill, as stated by the gentleman from Massachusetts [Mr. McCORMACK] or a 1-year program regardless of the provisions of the bill, as contended by the committee, will make little difference in the long run. If we elect a Republican President and Congress this fall, I am confident the program will be only what will be really helpful to the participating countries and at the same time reasonably safe for our own. If we do not, and the same gang goes back, or Henry Wallace gets in, the lid is off again, so what difference will it make then what we do now?

Let me congratulate the Foreign Affairs Committee for the comprehensive and candid report rendered on this bill as a substitute for S. 2202. Anybody who reads that report must be aware of the dangers in voting for the bill, as the committee wants us to do and which I am going to do for the reasons I give. I concede to those who vote against it many sound and convincing reasons for so doing. I cannot agree with many who will vote the same way I do who still believe that if only we keep putting an endless number of quarters in this slot-machine we will eventually hit the jackpot of no communism and no war.

Mr. Chairman, stopping communism is not a matter of a particular amount of money spent or a particular length of time over which you spend it. Communism may be used as a stick to stir up hysteria to get you to spend it. That is great propaganda for those so morally bankrupt they believe money can procure or prevent anything; that you can buy any friend or blackmail any enemy. Nothing but a complete regeneration in the peoples of the world of the courage to accept the great responsibility of liberty will stop communism. And that, right here in our country, is going to require a rebirth of old-fashioned Americanism. If that be reactionary, make the most of it.

With all the showmanship and horseplay about stopping communism outside of the United States, the President calls it a mere bugaboo here. Yet in the letter of the National Economic Council of February 15, 1948, after a careful review of the situation, there appear these words:

> As compared to total populations, the percentage of acknowledged Communists in the United States today is nearly as great as, if not greater than, the percentage that took over Russia in October 1917.

Granting that general conditions here are not as propitious to communism as in Russia in 1917, nevertheless, should, God forbid, hostilities start, think what that means in terms of possible sabotage, in the light of modern scientific developments. What could that number not do as leaders of or agitators in our labor organizations. Or in our armed forces. And in the important positions in our own Government which, in spite of the work of the Un-American Activities Committee, other committees and individual Members of this House in exposing them and bringing them to the attention of the Executive and the heads of his departments, they still seem to maintain.

Internationalists and liberals of both parties ought to know more about communism and its vicious attributes than some of the rest of us, because for years they have supported, fought for, consorted with, befriended, and defended communism and the Communists. Only after the American people became really aroused to this insidious ideology did they desert their erstwhile companions like rats leaving a ship sinking at the dock.

Ah, but Henry Wallace and his kind of liberals did not follow this bipartisan foreign policy. Why not? Simply and solely because, bad as it was, it was still not favorable enough to Russia and too favorable to the United States to suit them.

And, Mr. Chairman, you cannot prevent war by throwing around dollar bills.

The possibility of war is inherent in internal conditions in Russia, the maintenance of a vast overburdening Army and the political desperation of a dictator who knows no other way of trying to unify his people against a common enemy. It is inherent in the same political desperation of demagogs in this country who see no other way of remaining in power. It is inherent in further diplomatic stumbling on the part of our administration or an untoward incident somewhere in the world setting off a chain of events of which dictators and demagogs may take advantage.

If we are fortunate enough to avoid war, it will not be because of the policy we have heretofore pursued, but in spite of it. It will be because the grace of God is merciful to the stupidity of man.

In voting for this Economic Cooperation Act of 1948 I am not deceiving myself into believing that its passage will be received by the participating countries as something for which they hoped but to which they have no real right until the Congress passes the act. The passage will be nothing but formal confirmation of what they have been led to believe is already coming to them by the President, the Secretary of State, the internationalists, most of the newspaper editors, magazine-article writers, and radio announcers in the United States, by the most intense propaganda campaign it has been my misery to see.

It has been this technique of administrative propaganda built up with every important proposition before it comes before Congress which has prevented calm and impartial consideration of these measures, and has embarrassed this Congress in even attempting to give them such consideration. Under this technique the Congress cannot work freely in the use of its best calm, considered, and studied judgment. It works under pressure from masses of people who have been propagandized, pushed around, and worked into hysteria, with special effort on keeping them from learning all the facts and the truth before final action is forced upon the Congress. That is not our constitutional Republic in action. That is maneuvered democracy.

Should the act not be passed, these participating nations will not be merely disappointed. They will feel they have been robbed of something which already was theirs. I venture to say some of them will grumble because we have cut down the super boxcar figures of the Marshall plan and hedged the thing around with safeguards for our own economy. Uncle Shylock, some of them will say, is showing his true stinginess, meanness, and selfishness again. For have we not told them it is all for our own benefit, anyhow?

When I cast my vote for this bill, I wish I could do so with the great glow of smug self-righteousness of those who regard themselves as world statesmen and have gone along with everything that was labeled "bipartisan," and who have gotten us into this mess. I cannot do so. I have no conviction that what I am doing is absolutely right; only the conviction that I am choosing what appears to me the right horn of the dilemma which confronts us under the circumstances which exist because of what has gone before—that quagmire in which we find ourselves because of these very bungling, opinionated midgets fired with "Vaulting ambition, which o'er-leaps itself, and falls on the other" side.

The moving finger has writ. It is my duty to read and try to interpret that writing; I cannot just pretend it is not there.

Mr. ROBERTSON. Mr. Chairman, each succeeding minute brings us closer to the vote on this momentous bill which we have before us on the floor for consideration, the bill known as the Marshall plan.

It has been well sold to the people of the Nation, yet most of them know too little about it. Most of us will probably

vote for this bill because if by some circumstance war should follow, we would be held responsible for not having done our bit. Yet, there is a great question in my mind whether or not money can stop war.

If this bill becomes a law, and I think it will, it is regrettable that the people of the United States have not a better conception of the sacrifices they will be called upon to make. True it is that it is the plan for some of this money to be spent in other countries to buy raw materials, but to a very large extent it will come from the United States.

It may be argued that it will have a contributing value to the price structure of America, especially foods. Many have argued that it is better than the Steagall amendment for farm commodities. Let us not forget that we are further depleting our natural resources by the passage of this bill. If we could be assured that it would stop the march of communism, it would be worth it all. I still find myself concerned on this principle.

I should gladly, Mr. Chairman, vote relief for suffering countries of Europe, and I should, with equal enthusiasm, vote supplies if I felt we would stop definitely and conclusively the march of communism. It is not enough for me to say that we must take this calculated risk. It is not so long ago that this Congress passed a bill authorizing the sum of $3,750,000,000 to England. This has been turned over to a Socialist government who totally wasted it, as all Socialist governments will do with everything. No good has come to the rehabilitation of Europe and no good has come to the United States.

Let us not overlook the fact that again in this particular legislation England is the great beneficiary, greater than any other country, and there is no concern, apparently, about the march of communism in England. Still, we are led to believe that this is the salvation of our country against communism.

Perchance it may do its small part, but we must be prepared to take the risk and to make the sacrifice, and it is the duty of this administration to advise the people of the Nation just exactly what faces them. Page after page of statistics are supplied in the official presentation to Congress, but in all of the pages the percentages of American aid allocated to each country and the predominant share scheduled for England are not revealed. It has required a special investigation to obtain this official figure, to show where our billions would go country by country. These are the facts:

England	$5,348,000,000
France	3,701,000,000
Italy	2,913,000,000
United States and British zones in Germany	2,499,000,000
Holland	2,436,000,000
Belgium-Luxemburg	1,419,000,000
Austria	713,000,000
Denmark	582,000,000
Ireland	497,000,000
Greece	473,000,000
Norway	234,000,000
Portugal	150,000,000
Iceland	38,000,000
Turkey	18,000,000
Total	21,021,000,000

Sweden and Switzerland are in for nothing. Actually they expect a favorable trade balance of about $176,000,000. This means net requests for over $20,000,000,000 from Uncle Sam. The difference between that figure and the announced $17,000,000,000 is to be made up chiefly by the International Bank and Monetary Fund, which is about 80 percent United States taxpayers' money.

England's $5,348,000,000, which is one-third of the $17,000,000,000 in the Marshall plan, is exactly the amount asked for by Bevin in January, 6 months before Marshall attempted to answer England at Harvard University.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 69, after the word "title" in line 11, strike out all language in the parentheses in lines 12 to 16, inclusive.

Mr. CRAWFORD. Mr. Chairman, I address myself to the gentleman from Ohio [Mr. VORYS].

As I understand the language on page 69, lines 12 to 16, inclusive in parenthesis, we proposed to guarantee against loss investors who might proceed to establish publishing houses or propaganda organizations in these areas, provided they did so under the Administrator's approval; and that up to $15,000,000 may be used for that purpose.

Mr. VORYS. The gentleman is in error.

Mr. CRAWFORD. What is it?

Mr. VORYS. The guaranty does not guarantee against loss itself, it is merely a guaranty against inconvertibility. Throughout the guaranty section the gentleman will find that the guaranty provides only for conversion into dollars of income or profits made abroad.

The purpose of this section the gentleman is striking out is to make it possible, on a private enterprise basis, for Time, Life, Newsweek, and certain other publications which are carrying the American story in the American way throughout Europe but at a continual loss through freeze-up in accounts because they cannot convert the subscriptions into dollars, to take care of that situation. My colleague, the gentleman from South Dakota [Mr. MUNDT] is particularly familiar with this proposition.

Mr. CRAWFORD. Let us read the language in line 12, page 69:

Including guarantees of investments in enterprises producing or distributing informational media.

If I understand American financial language that means to guarantee my investment in that proposition.

Mr. VORYS. If the gentleman will look at subsection (i), lines 19 to 25, he will see that the guaranty, for instance, in line 22 shall be limited to the transfer into United States dollars of other currencies or credits any such currencies received by such persons. So it is not a risk guaranty, it is limited specifically to convertibility.

Mr. CRAWFORD. Suppose I sell a bunch of hogs to some friends and take his note for it and the Government of the United States comes along and guarantees me that I can convert that note into dollars. Is not that a guaranty of my investment?

Mr. VORYS. That is a guaranty of a risk investment. If you sell hogs in Europe and get lira, or francs, or other currency, you have gotten your return in the coin of the realm where you made the sale.

This guaranty is limited to the amount of currency for changing that into dollars up to the amount of your original investment. It is not a risk guaranty, as the gentleman will see if he will read the language.

Mr. CRAWFORD. I shall have to disagree with the gentleman; that is my amendment.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Chairman, I want to take these 2 minutes to explain to the House the true purpose of the language of the bill.

Precisely as stated by the gentleman from Ohio, this language was written in the bill, and I may say it was included at my request, to give American privately owned information media encouragement in their fine work such as the Paris edition of the New York Herald Tribune, such as the Reader's Digest, Time magazine, Look, Newsweek, the Saturday Evening Post, and other established American publishing houses, book publishers as well, who are able to sell their merchandise abroad and receive for it the coin of the local realm—this provides them a convertibility guaranty up to the extent stated in the language of the bill provided they have approval by the Department of State, the Economic Administrator, for their activities.

It seems very logical that every Member of this body would want to have the American story told abroad. We have voted wisely in setting up the Voice of America program which enables the Government to enter into the information field abroad. In that legislation, now known as the Mundt bill, I specifically provided for the utilization of American private industry, newspapers, magazines, the cinema, book publishers and the like in expanding and extending the Information Service created in the State Department by passage of the Mundt bill. This guaranty as to the convertibility of currency is designed to encourage such participation. This language to which the gentleman from Michigan [Mr. CRAWFORD] objects now gives private business, a private publisher, for instance, the opportunity to participate in this information program abroad. It applies also to American motion pictures. I think this is one of the most essential features of the bill; that is, that we continue to keep the world informed about the American purpose and the American pattern of life and more especially what we propose to do by this program to be of assistance to our associates in Europe in helping them to help themselves become strong enough and well enough organized to resist and repel communism.

Mr. Chairman, I ask that the amendment offered by the gentleman from Michigan be overwhelmingly defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The amendment was rejected.

The Clerk read as follows:

PROTECTION OF DOMESTIC ECONOMY

SEC. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 percent of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

(d) 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 country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, 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 title, and would not create a burdensome surplus in 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 title.

(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.

(e) 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 (f) of this section.

(f) 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. The rescission of the remainder of section 32 funds by the act of July 30, 1947 (Public Law 266, Eightieth Congress), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

(g) No export shall be authorized pursuant to authority conferred by section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the Secretary of Commerce determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided, however*, That such export may be authorized if the Secretary of Commerce determines that such export is otherwise in the national interest of the United States.

(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 79, line 11, strike out the period, and insert the following: "*Provided further*, That no exports shall be authorized pursuant to authority conferred by section 6 of such act of July 2, 1940, of any commodities or technical data from the United States to any country which has announced its intention to attempt to prevent the success of the European recovery program."

Mr. COLMER. Mr. Chairman, this is a very simple amendment, and if you will bear with me a few minutes I will explain it.

In 1940 this Congress gave the President the authority to do certain things. Let me just read this section:

When the President determines that it is necessary in the interest of the national defense to prohibit or curtail the exportation of any military equipment or munitions or component parts thereof, or machinery, tools, or materials, or supplies necessary for the manufacture, servicing, or operation thereof, he may by proclamation prohibit or curtail such exportation except under such rules and regulations as he may prescribe.

Now, if I may have your attention. The Congress gives the President the authority to curtail the shipment of munitions, materials, and implements of warfare to certain countries where it was not in the interest of this country to ship them. For 30 days or more Members have been rising on this floor complaining about shipments being made to Russia and her satellites. It became so strong that a few days ago the President limitedly exercised the right that this Congress gave him by issuing a proclamation stopping the shipment of certain airplane parts to Russia. You will recall that some of the Members rose here the other day and talked about a ship up here at Newark, N. J., being loaded with materials for Russia. This amendment goes further than the statute you passed before and makes it mandatory; in other words, there is no discretion so far as the President is concerned, but this amendment says that none of these goods shall be shipped to any country that is not collaborating under this Marshall plan.

Frankly, I wish that I could have made this amendment stronger. I offered a stronger amendment in the committee, but under the rules of procedure here this is as strong as I can make the amendment and make it germane. This amendment provides that none of these goods enumerated in this statute which you passed shall be shipped to any of these countries that are not cooperating under this plan; in other words, that means that none of these munitions, none of these planes, none of these goods, machines, and so forth, that could be used for that purpose can be shipped to Russia or its satellite nations. That is all there is to the amendment.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from New York.

Mr. BLOOM. I am in sympathy with the gentleman's amendment, but what I am afraid of is that this will destroy what we are trying to do in the future;

in other words, the gentleman's amendment says that any country which has done anything to oppose or to hinder the Marshall plan at no time can come in. Now, the door is open, and we have said so right along. The gentleman's amendment would destroy what we are trying to do in the future.

Mr. COLMER. Mr. Chairman, the gentleman from New York evidently is not familiar with the amendment or what it would do. Listen. For 2 years I have been trotting down to the White House, the State Department and other places trying to get the shipments of these goods to Russia and her satellites stopped, and every time I went I was told I was right, but the timing was wrong. It is the same proposition that the gentleman from New York raises now, that the timing is wrong. You shipped scrap iron and oil to Japan up until the very hour that the bombs fell on Pearl Harbor. This amendment would stop the shipment of those goods over there. It is simply making mandatory what you already gave the President authority to do.

In this connection, Mr. Chairman, on March 24, 1947, I introduced a resolution that would provide, among other things, for the setting up of machinery in this Government to screen the shipment of goods to certain foreign nations, particularly Russia and her satellites. That is the resolution that I referred to a moment ago when I said I had made many trips to the State Department, the White House, and other Departments of our Government where our foreign policy is made. The American people are against shipment of these goods to our potential enemies and it ought to be stopped, and it ought to be stopped now. I, for one, am tired of expending billions of dollars of American money and American resources to stop Russia, while at the same time permitting Russia to obtain the goods, equipment, and the assistance necessary for her own economy, the building up of her arms, and generally assisting her in her program of aggression. In other words, deterring her with one hand and helping her with the other.

Earlier in the debate I made myself very clear when I said that I was inclined to support this bill, but very reluctantly. But if I cannot have some assurance that this conflicting policy will cease I am not so sure that I yet will vote for the measure. As I said, this amendment does not go as far as I should like it to go. But it is as far as I can go without making the amendment subject to a point of order.

In conclusion, may I say that I hope I never hear another Member of this House come on the floor and talk about the shipment of goods to Russia and its satellites if that Member is not willing to stand up today and vote for this amendment, which would merely stop the shipment of munitions and materials to Russia and her satellites. I ask that you support this amendment or forever hold your peace on this subject.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to support this amendment. Yesterday I suggested to the House that the investigation of my own committee disclosed that since January 1 of this year a large number of Russian ships had sailed to Russia carrying goods, wares, and merchandise of every kind and character to that country. We immediately started an investigation to determine from the shipping lines and other sources how much of this material had gone out and what it was. I am today in receipt of a letter from one of the big shipping lines which ships direct to Russia, the Moore-McCormack Lines, in New York. I think this letter would be interesting to the Members of the House. It is directed to an investigator of my committee who has been in New York. This, mind you, is the record of only one shipping company and from one port. The letter is as follows:

MOORE-MCCORMACK LINES, INC.,
New York, N. Y., March 29, 1948.

Mr. EDWARD E. FINE, Jr.,
Surplus Property Subcommittee,
House of Representatives,
Washington, D. C.

DEAR MR. FINE: In accordance with your request we wish to advise you that during the period January 1947 up to and including February 1948 we loaded a total of 39 vessels from the port of New York to the U. S. S. R. These vessels carried a total of 163,430 tons.

Break-down: January 1947 to December 1947, 35 ships, 148,997 tons.

January 1948 to February 1948, 4 ships, 14,433 tons.

The manifests of these vessels were prepared so as to indicate various types of cargo, i. e., cash orders, pipe-line cargo, UNRRA cargo, and private shipments.

The consignors on the bills of lading covering the cash orders were either Amtorg Trading Corporation or the Soviet Government Purchasing Commission, depending upon the organization making the purchase.

The consignor on the pipe-line cargo was in each case the Soviet Government Purchasing Commission, for according to the agreement, this cargo was assigned to a foreign government and the Soviet Government Purchasing Commission represented the U. S. S. R.

The consignor on the UNRRA cargo was the United Nations Relief and Rehabilitation Administration.

With regard to the private shipments, same appear on each manifest, however, the volume of tonnage involved varies. In other words, some of the vessels may have 2 or 3 tons of private shipments, and in other cases the total may run from 35 to 50 tons, it is always insignificant in volume. The consignors on these private shipments are the parties making the shipments, and cover principally household and personal effects, books, printed matter, and foodstuffs shipped to private individuals and the foreign embassies. In addition, it also includes shipments for account of United States Government agencies to their representatives.

The manifests of all vessels fully describe all cargo, showing commodity, shipper, consignee, weights, value, and manifest tons. Each shipment is also covered by a shipper's export declaration which is stamped by the collector of customs "invoice produced." Both manifests and export declarations are filed with the collector of customs as soon as vessel sails.

The manifests include such commodities as: Metalworking machinery, including lathes, cutters, planers, grinders, and heavy industrial presses. Electrical machinery, including hydroelectric power equipment, transformers, motors, and internal combustion engines. Agricultural machinery. Excavating machinery, including road graders, scrapers, cranes, and power shovels. Oil refinery equipment, including oil well tools, drill collars, oil well drilling equipment, steel pipe for oil lines and steel storage tanks. Steam locomotives, Diesel electric locomotives, trolley locomotives, and railway dump cars. Steel piling, steel railway car wheels, wire rope. Autotrucks, auto parts and accessories, sisal rope, woolen rags, graphite electrodes, various types abrasive grains and products. Scientific and measuring instruments, radio receivers and equipment, foodstuffs, petroleum products.

We have noted no significant change in the character of cargo moving to the U. S. S. R. Today's manifests, to the best of our recollection, are similar in every respect to manifests of a year ago, or 10 years ago. Of course, the war period was a different matter entirely. We believe no useful information would be found by requiring either the collector of customs or ourselves to engage in any extensive and expensive searching of dead files.

Yours faithfully,
MOORE-MCCORMACK LINES, INC.,
ROBERT C. LEE,
Executive Vice President.

In view of this situation, in view of the character of the goods shipped, in view of what is happening now, and in view of the fact that this shipper, one of the big shippers to Russia, says there is no difference in the character of cargo they are sending now and what they sent 1 year ago or 10 years ago, we need to do everything we can to see to it that these shipments are stopped or at least carefully screened so that our economy is protected and our boys safeguarded against the folly of those who continue their policy of appeasement. The same policy we pursued with Japan, the same policy that resulted in our own sons dying from American scrap and other war goods in the hands of our enemies.

The amendment offered by the gentleman from Mississippi should be adopted.

Mr. MUNDT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. MUNDT as a substitute for the Colmer amendment: Page 79, line 11, strike out the period and insert the following: "*Provided further*, That the Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities or products which go into the production of any commodity for delivery to any nonparticipating European country which commodities or products would be refused export licenses to those countries by the United States in the interest of its national security. Whenever the Administrator determines that it is in the national interest of the United States to prohibit the exportation of any commodity to any country wholly or partly in Europe which is not a participating country, the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall take such action as may be necessary to prohibit the exportation of such commodity to such country."

Mr. MUNDT. Mr. Chairman, I hope I can have the close attention of the Committee on this amendment, because, in my opinion, it deals with one of the most important aspects of our whole security program.

I am entirely sympathetic with the objectives of the gentleman from Mississippi [Mr. COLMER] but his amendment illustrates the difficulty one gets into by bringing amendments in quickly, without having the benefit of committee analysis and screening, because, while he closes the door very abruptly and bars

any kind of American export whatsoever to Russia, he leaves the other half of the door entirely open. For that reason I have offered my amendment at this point as a substitute, whereas it should more properly come later in the bill on page 94, where I had previously announced my intention to offer it.

My amendment has been approved by the committee, and I am offering it to you now as a committee amendment, to achieve the valid objectives of Mr. COLMER'S amendment, and to do something extra, which I think is highly important.

In the first place, my substitute amendment, which has just been read, provides that the Economic Administrator shall refuse to permit the export to participating countries of all commodities and supplies which they in turn utilize to manufacture war potentials, which we deny ourselves the right to ship, for sending to the satellite countries or nonparticipating countries. The Colmer amendment does not touch that aspect of reshipment whatsoever. So it leaves that part of the door completely open, because it would still permit us to ship participating countries materials which they fabricate into war materials and ship on to Russia. My amendment stops that completely.

As to the other aspects of the gentleman's amendment, where he would stop shipment of everything to Russia, our committee amendment simply stops shipment to Russia of implements of war and war potentials, things which would make Russia strong militarily. As for me, I would like to see the manufacturers of table radios flood the market in Russia with radios. I would like to see the publishers of books and magazines flood the markets in Russia with those books and magazines. I would like to see the shipment of fine rugs, musical instruments, and pictures to Russia. I see no point in denying shipments to Russia of so-called soft goods, peaceful material, material which will make the Russians happier at home, which will tend to make them realize the advantages of our system of life, which will tend to broaden their whole view and their whole picture of life.

I simply contend that we should deny shipment to the Russians of materials of war. My substitute amendment does that, while leaving open the normal peaceful channels of trade. But the most important advantage of my substitute amendment is that it closes the door which the Colmer amendment leaves open. It closes the door through which, under the Colmer amendment, the participating countries could still fabricate supplies, furnished them under this bill, and reship them to Russia for warlike purposes. My substitute amendment as approved by our committee stops that also.

I yield to the gentleman from Mississippi.

Mr. COLMER. If the gentleman will yield, the gentleman does not understand my amendment at all. I said I wish it went as far as the gentleman says it goes, but I could not so word it and make it germane.

My amendment simply would make it mandatory where it is now discretionary to stop the very things the gentleman's amendment seeks to stop as provided in the section of the act of July 2, 1940.

Mr. MUNDT. Assuming the validity of your position as now expressed, the position of our committee substitute is still stronger because it closes the other door which you leave dangerously open. If we accept the gentleman's argument, his proposal would stop the shipment of war materials but the Committee amendment in addition to doing that would prohibit shipment to participating countries of materials which they in turn can fabricate and ship in terms of war supplies to Russia and the satellite countries. My amendment closes tight the door to the reshipment of war potentials to the Soviet sphere and it is that door the Colmer amendment leaves open. I think that the committee position is stronger and better protects the security of this country even if we accept the gentleman's contention that both proposals are the same up to that point.

Mr. COLMER. If the gentleman will yield further I want to call the gentleman's attention to the fact that his amendment leaves the matter in the hands of the Administrator. If it has to be someone I would as soon it be in the hands of the President. The Administrator will not be able to handle it.

Mr. MUNDT. My amendment gives it directly to the Administrator and spells out what he must do. If he can handle ERP at all he can handle this restrictive directive. It writes in the intent of Congress as clear as the light from the midday sun. It spells it out where all who run can read. It places the administrative authority and the final responsibility for carrying out this policy of not either shipping or permitting the reshipment of war supplies and potentials to Russia and her satellites directly upon the Economic Administrator of this act. This Administrator must come back to Congress for a new authorization and a new appropriation if this program is to continue beyond the next fiscal year. This Administrator must counsel and advise with a public advisory board made up of distinguished Americans from both major political parties. This Administrator must make a written report to Congress and the country as to his custody of these responsibilities.

My amendment takes from the President of the United States and the Department of Commerce final authority over exports to the nonparticipating countries in Europe for the very reason that up to this very hour the President and the Department of Commerce have sure as the night follows the day that guard our national security in this respect. They have failed to deny export licenses to American concerns desirous of shipping war potentials, machine tools, et cetera to Russia and the captive countries caught within her greedy, godless clutch. It is our hope and our expectation the Economic Administrator will succeed where the President and his Department of Commerce have so conspicuously failed. If he does not, it is as sure as the night follows the day that this European recovery program will fail and that Congress next year will refuse to appropriate any further funds for a program which persists in contradicting itself through the type of collision policies this administration has been following up to this very day and hour. I urge the adoption of my amendment.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. FOLGER. Mr. Chairman, I move to strike out the last word.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. O'HARA. Mr. Chairman, I object.

Mr. VORYS. Mr. Chairman, will the gentleman yield further?

Mr. FOLGER. I yield.

Mr. VORYS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 23 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. The question is on the motion of the gentleman from Ohio.

The question was taken, and on a division (demanded by Mr. O'HARA) there were—ayes 93, noes 20.

So the motion was agreed to.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. FOLGER. Mr. Chairman, in view of the shortness of the time I ask to be notified when I have consumed 3 minutes.

The CHAIRMAN. The Chair will notify the gentleman.

Mr. FOLGER. Mr. Chairman, I did not intend to make any observation about the bill. I had a hard enough time to bring myself to the point where I would support the legislation. I have reached that point, however, notwithstanding the fact that I have been largely of opinion and definitely committed to the idea that we were in the premature rehabilitation of Germany which has made war against us on two occasions. I hope we have not forgotten this. I recognize that already 16 nations have met and indicated by the signing of an agreement that they welcome the help of the United States in reestablishing among other things peace in the world. I think that ultimately in the minds of most of us this is designed to be a peace measure. Any legislation that is of the import that this amendment carries with it comes next to a declaration of war against Russia, a thing that is premature, is not helpful, and would put us in a bad light in our protestations that we are trying to bring about a peaceful status among all the nations of the world, to which the President no doubt referred when he said: "Let me yet leave the door open to everybody."

We open it to Germany, we open it to Russia, we open it to Czechoslovakia or

any other country in the world that will come in and join us in this great effort to bring about peace. We certainly can risk our State Department, the President, and the War Department in discussion and understanding in the months that are to come, maybe years so far as that goes, as to what may be shipped to one country or another. I do beg you not to adopt this amendment, which is next to a declaration of war and a separation of ourselves from every part of the world except those 16 nations. It is almost a declaration of war against those that have not signed.

Mr. Chairman, I doubt whether I can vote for this bill if the amendment is agreed to. It is a most dangerous thing, it is unavailing, it is not necessary, and it is going too far in the effort of our people in our quest for a peaceful world in which we as well as other nations of the world want to live.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, the acting chairman of the Committee on Foreign Affairs should be congratulated on shutting off debate, permitting the members of the Foreign Affairs Committee who have taken up most of the time on a very important amendment to speak, then when the other Members get around to wanting to speak, shutting off debate. I hope that will not happen again.

Mr. Chairman, I would like to refer to the matter of steel. I wonder how much consideration has been given to the shortage of steel. You are worrying how you are going to control munitions and other things that are shipped over there. You are attempting to control them here. But what are you doing about the all-important subject of steel?

May I say to you people who have been short of petroleum up on the east coast and out in the Middle West during the last winter that you are going to have another shortage this next winter. We are already experiencing a shortage of tractor fuel oil. We cannot get the necessary tank cars to haul the tractor fuel oil from Texas up to our part of the country.

We are now going into this program in which the Government and the other nations of the world will be buying up material in short supply. You are going to have more to worry about than munitions. You are going to have to worry about the shortage of other critical material. Then, also, you better have the OPA ready, too, because it will move in along with selective service and all of the other regimentations and prewar controls just before you get into the shooting war which is just over the horizon.

But if you want it that way, then vote for this bill. I do not intend to do so because the illustration of the debate on the sale of 200 ships is pointed. Most of those who passionately supported that amendment are voting for this bill. The most critical item you could have, which is not controlled in any way, shape, or form, and I see that some Members are smiling over that remark, is the matter of steel. You have given no consideration to it whatsoever. When war comes and our armed services and our own people need what is being given to nations all over the world, I prefer to think first of the needs and requirements of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, I expect to vote for the bill before the House, but as I look back over the last few months and the last few years, I am beginning to get pretty badly disgusted with the things I have observed when discretionary powers have been given. I remember a few months ago in this hall when we were debating the question of UNRRA. We were told that this money, these vast sums, that we were voting would go to the peoples of western Europe, but when the smoke blew away we found that practically all of it went to those countries behind the iron curtain. Some time ago we voted a large sum to maintain a radio service in Europe. Just a few days ago a gentleman whom I have known for many years, and in whom I have every confidence, and who has spent most of the last year in Germany, told me that our American-controlled radio allots regular daily time to the Communists to broadcast their infamous doctrines to the people of Germany. Day after day, as I have seen accounts in our daily papers of munitions of war, things that can be used to mangle the bodies of our sons, going to Russia, my blood has boiled.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Mississippi.

Mr. RANKIN. I call the attention of the gentleman from Missouri to the fact that Gerhart Eisler, this chief Communist whom we captured in the United States, went up to this Tower of Babel called the United Nations and used its radio to broadcast to Europe and to spread his Communist doctrine.

Mr. BELL. I do think that when we allow discretionary powers, and do not know who will exercise those powers, then it is up to the Congress to protect the people of the United States. This thing of appropriating $6,000,000,000 with one hand to protect this country against communism and with the other hand sending to Russia and her satellites munitions and arms and everything else on earth to kill the people of this country, is just sheer, utter nonsense and folly.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, great decisions are always very simple. A vote for peace or war just means saying aye or nay. The amendment which is before the Committee, proposed by the gentleman from Mississippi, is a declaration of economic war. It says that hereafter we shall sever international economic relationships with the Soviet or her satellites. Now, that does not cover what happens between the 16 nations whom we are going to aid under this bill and the U. S. S. R. and her satellites. According to this amendment, trade between the 16 western European nations and the Soviet and her satellites can be perfectly free. The committee amendment, though, seeks to protect both aspects—any shipments from the United States and any shipments from the 16 nations, insofar as any supplies may be proposed for shipment to the U. S. S. R. and the satellite countries, which jeopardize or affect the national security of the United States.

Furthermore, the committee's amendment says that the Administrator is "directed" to refuse delivery. It is very precise on that point. What the committee amendment does is to seek to carry out what should be the intent that no warmaking materials and no materials of any kind can be shipped which jeopardize our national security. In the language which I worked out myself to try to deal with this difficult subject, it says that any supplies, contrary to the interest of the national security of the United States, may not be shipped; not only directly from the United States, as the gentleman from Mississippi provides, but according to the committee amendment, directly or indirectly from the United States, and the 16 western European nations as well. The committee amendment is designed exactly to serve the purposes which are sought to be served, and the committee amendment should, therefore, pass.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Dakota [Mr. MUNDT] to prohibit the reshipment of any of the products or articles to any of the nonparticipating nations. At the present time we observe that some of the countries stipulated in the provisions of this bill have already entered into trade relations with the Soviet Union. Such trade agreements no doubt run for quite a few years.

I hold in my hand a letter from the counselor of the State Department that may interest the Members, particularly in relation to the obligations the British trade commission has assumed in connection with the British-Soviet trade agreement. The letter states in part:

> With respect to your inquiry concerning the inclusion of locomotives in the British-Soviet trade agreement, it is possible to state that the agreement provides for 1,100 narrow-gage locomotives to be delivered within 2¾ years from the commencement of delivery.

The letter is signed by Charles E. Bohlen, counselor of the State Department.

Mr. Chairman, it seems to me rather absurd and ridiculous for us to pass a bill permitting cooperation between this country and the other nations of the world who are fighting to retain their democratic government, to permit them on the one hand to get the raw materials in the form of steel from this country and manufacture them into locomotives or airplanes or any other finished articles and then ship them under a trade agreement to Russia or any satellite powers. It seems to me that when spending a tremendous sum of money on the one hand to stop the spread of communism, we ought to make sure this kind of a matter should be stopped.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, this debate seems to have been excited largely by lists that have been read of items which are presently being exported to Russia. I think it would be wise for use to remember that this Congress, the Eightieth Congress, relaxed the export controls. It was only recently that we restored partial controls on exports under the Taft Act. The items listed by the gentleman from Oklahoma, I imagine were contracted for legally and were consistent with the commercial policy of this country as laid down by Congress in the period of relaxed export controls. That is the first point I have to make.

The second point I want to make is that what we are actually doing here in this amendment as amended is to call for an economic blockade. You cannot enforce an economic blockade unless you also provide for all the necessary measures to enforce it.

The third point is that an economic blockade is the first step to war, and I do not think such a step should be taken with 20 minutes debate at a quarter to 5 in the afternoon when the Members of the House are too weary for the full deliberation this question demands.

The fourth point is that you cannot enforce this amendment. Let's not kid ourselves about the effectiveness of this provision. It assumes that every item of equipment furnished under this act can be earmarked for life and that every article produced by such equipment in the indefinite future can be earmarked for life.

The equipment furnished under this plan will not be distinguishable from machinery procured and financed in ordinary commercial fashion out of the dollar resources of the recipients. It is the essence of this plan that its operations will be carried out through private trade channels wherever possible. ERP machinery is not to be walled off from all the other trade machinery to the recipient countries. The products of such machinery cannot be segregated from all the other production of recipient countries.

Yet you would have to wall off the machines and segregate the products if you were to try to give reality to the purpose of this amendment.

Suppose one of the 16 countries that will be importing from us buys a turret lathe. Under the Marshall plan, we are not going to sell them all the turret lathes they will need. How are we going to earmark each turret lathe exported under ERP to see that it is not used in the manufacture of some goods which eventually will go to Yugoslavia?

My fifth point is that this amendment will make it impossible to achieve the goals set by the 16 participating countries to assure their sound rehabilitation. This whole program will fail unless there is trade between eastern and western Europe. Western Europe needs the food of eastern Europe, and eastern Europe needs the manufactured goods of western Europe. When you come right down to it grain sent from eastern Europe and Russia to western Europe can also be processed into a war material.

The purpose of the Mundt amendment is to tie every participating country to this country's export-control policy. It will do this regardless of whether the control in question applies to an exclusively strategic material or to a material which happens to have strategic uses among others.

Such a material or product might be placed under export control by the United States only because it happend to be in short supply in the United States. It might not be in short supply in the participating country concerned. Nevertheless, this amendment would compel the participating country to go along with our export-control policy—regardless of the effect on its own economy.

This amendment is simply unworkable. I lay aside the question whether it is prudent or justifiable to launch now upon economic warfare. I have definite ideas on that. I simply insist that the worst danger of the Mundt amendment is that it sends us off on economic warfare armed with wooden guns.

Gentlemen, let us not fool ourselves. Almost any machine that we send to Europe can be used for war, but machinery is also necessary if Europe is to get back on her feet. There are certain risks we must take as we work for peace but they are nothing in comparison to the certain disaster we will reap if we have another world war.

I do not believe that war is inevitable. I believe that the ERP will contribute greatly to the economic stability which is essential if we are to have peace. The seemingly endless problems that confront us today are the direct result of World War II. I firmly believe that world war III, aside from the terrible destruction it would inflict, would also destroy our political and economic way of life. But if there are those who are sure world war III is inevitable, then certainly they should not vote for this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the debate during the last few minutes shows us how impractical and impossible it will be for us to govern the trading instincts of the other peoples of the earth. You are going to fall down on this job, make no mistake about it. Secondly, we recognize Russia as a friendly nation. Russia has vast reserves of gold in the ground. She mines that gold and ships it to the United States, and we buy all the gold that Russia offers us and pay her dollars in exchange. As a friendly nation supplied with dollars for a product that we do not need and which we are afraid to use in our monetary system by making our currency redeemable in gold, we are put in a position where we have to let Russia buy goods. The people in my district are concerned about our shipping goods to Russia. I write them every day and tell them why we sell goods to Russia.

Russia can buy anything in the open market and bid against you, on which an export license can be obtained. Do not mislead yourselves about the State Department going to discontinue goods being shipped to Russia, because the State Department is friendly to Russia from that standpoint, and those goods will continue to move. From time to time the State Department will mislead the people of the United States by telling them they have cut off exports of certain items to Russia, but Russia will continue to buy as long as she is recognized as a friendly nation and as long as we pay our dollars for Russian gold.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BATES of Massachusetts: The Department of Commerce has charge of the export controls. That is not administered by the State Department.

Mr. CRAWFORD. But the State Department substantially wrote this bill. The State Department has run this Government for the last several years, and there is no use to misinform ourselves about that. Diplomacy, world-power politics, peace treaties, international trade, are all the makings of the State Department.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Michigan [Mr. SADOWSKI] is recognized.

Mr. SADOWSKI. Mr. Chairman, let us quit kidding the American taxpayer. There will be no tax reduction and we will have to restore the excess-profits tax in order to raise more revenue to meet all of these added expenditures.

This plan is not the Marshall plan. Marshall is now out of the picture. It is a Republican baby. It is the Vandenberg plan, and it means more inflation, more profiteering, more shortages, demand for war controls over our domestic economy, unlimited expenditures for militarism and armaments, an unbearable tax load on our citizens, and an economic bust worse than the one we had under Hoover in 1930.

With the Knowland amendment adopted in the Senate and approved by VANDENBERG, and with the adoption of the Mundt amendment in the House, we would restrict our trade and commerce to only one-half of the countries of Europe—to those who will do business with American-gift dollars. Dollars that we will gouge out of our taxpayers. What a business.

Shortly after the Revolutionary War we fought a war against Tripoli and the Barbary States because we refused to pay tribute.

Now, we shall collect tribute from our own taxpayers to do business with the world.

Not only that, but to do business with one-half of the world, that is Asia and eastern and central Europe, we will pay tribute to English, German, Argentine, French, and Italian brokers to act as our business agents to carry on an export and import business with the other nations. Satan must be roosting in our brains to so confuse our thinking. I will tell you what ECA stands for—it stands for an exhausted and controlled America, and if you want to know, I will tell you what ERP stands for—ERP stands for exit Republican Party, in 1948. Like Bergen says to Mortimer Snerd, "How can we be so stupid?"

Why do you not inquire what happened to a billion dollars in gold that was looted by the Nazis from the countries of Europe and deposited in Swiss banks? We have not heard any more about it, have we? What combination of bankers are sitting tight on this yellow pile?

Why is the reparations program halted and instead we are going to pay off German war damages with American tax dollars under this Vandenberg plan?

We are short of scrap iron and steel. There are 10,000,000 tons of it in Germany. We have dumped several billions of dollars into Germany already and now under ERP and Army appropriations, we will dump another couple of billion. Yet, we cannot even get scrap iron in return. Who is holding it back? Certainly it is not the defeated Germans.

France, England, Belgium, and Holland, together with the German people themselves, had insisted that the monopolists and cartelists in Germany be busted up. Now we are raiding the United States Treasury to pay them off so that they would shut up, and the private monopolistic controls over I. G. Farben, Krupps, the coal mines, and the rest of the heavy industry remains in the hands of the Junkers and the German war moguls.

Through ERP, the American taxpayer guarantees that a cartelist- and monopolist-ridden Germany shall be revived and continued on the same basis as before the war.

I think it would be far cheaper in blood and money, and we could have peace, if our international banking houses and our international investors filed their claims for foreign investments with the United States Treasury and, we, the American taxpayers, paid them off in full, and told them that in the future they should keep their nose out of other people's business and develop our industries and resources at home. If the people of Europe want public ownership or national ownership of their industry and resources, they should have it, and it is none of our darn business. We will still be able to do business with the world and we do not have to kill off half of the world's population in order to stuff down their throats a program of private monopoly and cartelists that nobody wants. And the sooner we get rid of the internationally minded bankers like Forrestal, Harriman, and General Draper, the better. I do not question their patriotism or loyalty, but as a Democrat, I object to these people being our policy makers.

The bankers have never elected a Democratic President, and they do not belong in our tent.

I fear to give these banker militarists, that have a spoon in everybody else's soup, all of this power and might. I am not a pacifist, and in 1938 when it was most unpopular, I advocated full military armament, the draft, universal military training, the whole works, because I had faith and confidence in our leadership that such military power would be used in defense. I would not hesitate a minute to give this power to Eisenhower. I do not trust international bankers. I am a Democrat. Jefferson, Jackson, Wilson, and Franklin D. Roosevelt would not have these fellows sitting in the White House.

The CHAIRMAN. Under the agreement, the gentleman from Connecticut [Mr. LODGE] is recognized for 5 minutes, to close debate.

Mr. LODGE. Mr. Chairman, the Mundt amendment is an attempt to cope with one of the most difficult dilemmas in this entire legislation. I believe that it is a most intelligent response to that problem. The problem can be stated in this fashion:

A revival of trade between eastern and western Europe is important to the recovery of Europe, and it is important in relieving the American taxpayer of at least part of the burden of supporting this program. On the other hand, it would be obviously insane to assist countries which have dedicated themselves to the destruction of this program, in that mission of destruction.

The result is that we must have a formula with a certain amount of latitude and we must have confidence in the Administrator. If we do not, we might as well give up the whole program. We must realize that the whole success of this program depends upon the quality of the Administrator. So we direct the Administrator to refuse delivery, insofar as practicable, when the national interest is involved; and we also give him authority, in the second part of the Mundt amendment, where the national interest is involved, to prohibit the exportation of any commodity to any nonparticipating European countries.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I had rather not just now.

That is obviously intended to ban the export of munitions, airplane engines, and certain types of machine tools, and any other articles which the Administrator in his discretion shall decide would militate against the national interest of the United States. As I interpret it, it applies particularly to war potentials.

The Colmer amendment has two weaknesses: First, it is too strong in that it prohibits the export of any commodity, and this might defeat the program; and second, it is not strong enough in that it does not control those commodities which go into the making of commodities in the recipient countries.

Mr. COLMER. Mr. Chairman, will the gentleman yield? I think the gentleman should yield to me there.

Mr. LODGE. I shall be delighted to yield to the gentleman.

Mr. COLMER. If the gentleman will read my amendment he will find that it does not prohibit the exportation of any commodity, but only those particular things that are referred to in the statute that this Congress passed.

Mr. LODGE. The copy before me reads:

> That any commodities or technical data of the United States to any country which has announced its intention to attempt to prevent the success of the European recovery program.

This does mean any commodity under section 6 of the Export Controls Act of 1940, but that act includes a great number of commodities. It is very broad.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. LODGE. Not at the moment.

I would like to say just this: There are many materials which we are going to export which can well be used by these countries to diminish the economic strain upon us. Great Britain has made an agreement with Soviet Russia whereby Great Britain will get a load of wheat and Soviet Russia will get British capital goods. That will diminish the strain on American wheat. This is an enormously difficult problem with which our committee wrestled for a long time. It is not susceptible of an easy answer.

I consider that the Mundt amendment is a most flexible and intelligent response to this extremely difficult problem.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. VORYS. Would it not be a lot better to adopt an amendment which has been considered by the full committee and its counsel rather than one which no one has had a chance to read?

Mr. LODGE. I think the implications of the Colmer amendment are extremely dangerous.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. JUDD. I would like to emphasize that the Mundt amendment does not merely authorize the administrator to stop certain exports, it directs him. It states that he shall take such action to interrupt any trade through the participating countries to behind the curtain if it is not in the interest of our national security.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. O'HARA. As a matter of fact, under either amendment that has been offered, when the Administrator gets to the point of shutting off the spigot, that is war. The gentleman knows it, and I know it because it means we have broken off relationships.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. HINSHAW. As I understand the Mundt amendment, it would enable the United States to control the export of products that might have to do with atomic energy; whereas the Colmer amendment would not.

Mr. LODGE. I think that is correct, and I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Connecticut has expired, all time has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent that my amendment may again be read by the Clerk.

The CHAIRMAN. Without objection, the Colmer amendment may be again read.

There was no objection.

Mr. MUNDT. Mr. Chairman, so that we can have the whole picture, I ask unanimous consent that after the reading of the Colmer amendment my substitute amendment may be read again.

Mr. COLMER. I have no objection to that.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk again read the Colmer amendment and the Mundt substitute.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from South Dakota [Mr. MUNDT].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER] as amended by the Mundt substitute.

The amendment as amended was agreed to.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 76, beginning at line 18, strike out subparagraph (2) through line 4 on page 77.

Mr. VORYS. Mr. Chairman, through a mix-up the committee which approved this amendment has offered it, although it was suggested to the committee by the gentleman from Massachusetts [Mr. HERTER]. I think it is a very good amendment.

Mr. PACE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio.

Mr. Chairman, I should like to have the attention of the membership of the committee and the distinguished gentleman from Massachusetts [Mr. HERTER]. I want the House to be informed as to the action it is about to take. This section has to do with the using of agricultural surpluses when they are needed. In the case of wheat it protects the millers by saying that 25 percent of all the wheat shall be ground in this country. It provides how wheat shall be handled. It provides how petroleum shall be handled; that it shall be gotten from other countries. It provides specially for a number of commodities. It is anticipated that there will be some tobacco used as an incentive in some of the countries. I had nothing to do with drawing this language. I have very little interest in tobacco. Then the question arose that when you go to exporting tobacco there is tobacco in Maryland of a certain type, there is tobacco in Pennsylvania of a certain type, and there is tobacco in Virginia of a certain type. There is burley and there is flue-cured. The question arose as to whether you would take all burley or whether you would take all Maryland, or what type.

If the members of the committee will look to the debates in the Senate where this amendment was handled by Senator AIKEN of Vermont and Senator BARKLEY of Kentucky, they will observe the very frank statement there that this was put in here to be sure that if any tobacco is shipped it shall be shipped in the same proportion it has always been shipped for the last 50 years. There is no question of trying to apply it to fish, because if you will read line 20 on page 76, it specifically says where practicable and applicable. It is not applicable to anything but tobacco. There is no difficulty in administering it. It cannot be applicable to any other commodity. It is not applicable to cotton, because you have no such identification and class and type. It cannot be applicable to wheat, because you do not have that classification. But it was put in here, and I think frankly with some wisdom, and was worked out, if you will look at the Senate debates, by Senator AIKEN, the chairman of the Committee on Agriculture, with the State Department and the Department of Agriculture. I am confident that the members of the State Department who collaborated with Senator AIKEN have a full understanding of how it is to be administered, and it was put in there in order to take care of a peculiar situation. If you want to legislate here that none of certain commodities shall be used, well and good, but as long as that commodity is in the bill, then you cannot get proper administration, you cannot stop a fight between Maryland and Pennsylvania and Ohio and Virginia and South Carolina. I see the distinguished gentleman from Virginia [Mr. FLANNAGAN] here. He knows 10 times more about it than I do, and I am sure he will corroborate what I have said and I hope he will contribute to this discussion.

Mr. KEFAUVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KEFAUVER. Mr. Chairman, it is obvious to all of us that time is running out in Europe. While there may be some imperfections in the European recovery program as it is now presented, I am satisfied that it is the best that can be done at the moment. It must be put into effect as rapidly as possible. To the millions now living at the edge of the iron curtain the passage of ERP will bring the only hope with which to revitalize the strength to help themselves.

There are inevitable risks in assuming the grave responsibilities which ERP entails and it will mean material sacrifice for the American people. I am convinced however that this course gives us the greatest opportunity to continue to work for peace. The ERP in action is tangible proof of democracy's inherent strength. It is clear, unmistakable notice to communism that we are joined more closely than ever with free countries of the world in proving by action that Democracy is the way to freedom and peace.

It is clear and unmistakable notice that to free men peace without freedom is not peace. It must be clear to the Comintern by now that failing all else this Nation has no alternative but to sustain freedom with crushing force.

While we must continue to work unceasingly for peace through the United Nations our words and our efforts must have a strong backbone of military strength. Strength and force are language which Russia understands. If there be war aims in the Russian plan I know of no better way to dissuade and discourage them than to expand our Army, Navy, and Air Force to whatever proportions are necessary to leave no doubt in the Kremlin mind that we are an intrinsically stronger opponent.

The Russian record thus far points clearly to an insatiable desire for aggrandizement in every direction. Domination of Czechoslovakia and Rumania are accomplished facts and the strangling tyrannies of communism continue unchecked. It is always the moral responsibility of freemen to hold wide the doorway to peaceful negotiation. We must at the same time be alert and prepared to stop a mad dog at the threshold.

Once passed, it is vital that ERP be effectively administered. There is no time for the delay and confusion of organizational experiments. It is obvious that no agency now exists which is qualified to undertake the administration of a program of such size and complexity.

I believe that the European recovery program can be most effectively and economically administered through an independent agency set up for this express purpose. This agency must be headed by an Administrator appointed by and responsible to the President. It must be staffed with highly competent and experienced personnel. In my opinion, the Administrator should be a man of wide experience in business and industry. He should be a man of unquestionable integrity and loyalty to this country with a proven record of achievement in organization and administration.

While it is my belief that the Administrator should be responsible to the President, the very nature of his work will, of course, bring him into the forefront of our Nation's foreign relations. He will inevitably help to shoulder some of the burdens of our Secretary of State. For this reason he must be a man who works well in double harness. The Administrator's deputies assigned to foreign countries should be men of similar qualifications, for while they cannot be responsible to our ambassadors, they must work effectively and in full cooperation with them. It seems to me that this general type of organization with clear delegation of responsibilities makes for streamlined channels of communication and authority. It leaves it in the hands of the President to resolve such major issues as the Administrator and the Secretary of State cannot resolve themselves.

In setting up this new agency care must be taken not to duplicate functions already being handled efficiently by other agencies. In this connection I am thinking specifically of the allocation of materials and export control which is now and always has been handled efficiently by the Department of Commerce and the Department of Agriculture. Similarly the fiscal aspects of this program should be handled by the National Advisory Council established by Congress itself in the Bretton Woods legislation. I see no necessity in trying to set up an additional group to consider these questions when such an expert group has been working in this field for some time.

I believe it important that the Administrator appoint a roving deputy or so-called roving Ambassador, whose primary duty is to work with the countries participating in the program in develop-

ing a closer economic and, perhaps in due course, a closer political union.

Effective economic and political union of the countries of Europe is, I believe, a cornerstone in the era of peace we are all striving to build. The importance of such a roving deputy cannot be overemphasized. His efforts can make a vital contribution toward peace.

While the passage of ERP makes our position clear and inflexible, it is my deepest hope that time and unceasing effort will discover the common ground on which our differences with other nations can be settled peaceably rather than in catastrophic war.

I shall continue to cling tenaciously to the belief that lasting peace is somehow attainable. I will not cease in my efforts to help reach this goal.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. PHILLIPS of California. I object, Mr. Chairman.

Mr. VORYS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 18 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Chairman, I should like to have the attention of the gentleman from Massachusetts, who offered the amendment, so that I may try to clarify in my own mind his purpose in submitting this amendment striking, as I understand, paragraph (2) starting in line 18 on page 76 and ending in line 4 on page 77. I admit that the language is a little confusing to me, too. It states:

> 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, and so forth.

It seems to me that if the gentleman's amendment is adopted and that section of the bill is stricken out, we are not going to give any consideration whatever to the historic reliance of the producers of agricultural commodities in this country on markets which they formerly had in Europe. I admit that I am just as puzzled as the gentleman from Massachusetts, but I do not want to see us take any action here that might be a mistake.

Mr. HERTER. The history of this amendment indicates very clearly that its intent was to cover only tobacco. This amendment had nothing to do with the Aiken amendment whatsoever. The amendment was adopted in committee before the Aiken amendment was ever offered on the floor of the Senate. The Aiken amendment was to take care of surplus agricultural products, and then this amendment was amended to fit in with the Aiken amendment as it came out of the committee. The only reason I raised the question at all is that it seems to me that for an Administrator to have to fight his way through the obscurity of this language without knowing what is intended is very difficult. If it is intended to take care of tobacco, it seems to me it ought to say so, and the language of the amendment ought to say why and how they want tobacco taken care of, instead of putting it in this very general language, which applies to all surplus agricultural commodities and is likely to lead to endless difficulties for the Administrator.

Mr. ANDERSON of California. The reason I raised the question is that the paragraph begins by stating:

> In providing for the procurement of any such surplus agricultural commodity—

So I should like to know how the gentleman figures, in view of the fact that it says any, that it applies only to tobacco.

Mr. HERTER. Because this was the amendment as it came out of the Senate Foreign Affairs Committee. It came to the floor of the Senate and the Senate then inserted the general Aiken amendment to take care of surplus agricultural commodities.

Mr. ANDERSON of California. I understand that.

Mr. HERTER. The language of this was then adjusted so that it would follow the Aiken amendment, but the history of it, I think, is just as I have described it. If there are valid reasons for taking care of this tobacco feud as between different types of tobacco, I have no objection, but it seems to me the language would make it apply to all surplus agricultural commodities and be a very difficult thing for any Administrator to try to follow.

Mr. ANDERSON of California. I presume there is a difference of opinion then, and if this provision is stricken from the bill, it can be very amicably settled in conference between the two bodies.

Mr. HERTER. I think so. I have no objection to this whatsoever, but it strikes me that it is difficult when it is applied to all agricultural commodities and is only intended to apply to one commodity.

Mr. ANDERSON of California. I thank the gentleman for his comments, but I shall have to oppose the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I hope that the gentleman from Massachusetts will see fit to withdraw the amendment. While the amendment may apply to other agricultural commodities, such as dried fruit, it was, in my opinion, drafted primarily to take care of the different types of tobacco. I know of no other agricultural commodity which goes upon the market according to type. This amendment was agreed to by the State Department, by the Department of Agriculture, by the tobacco growers, dealers, and warehousemen. I have never seen such accord among the tobacco people. Just last week all of the people interested in tobacco met and discussed this amendment at length. They expressed themselves as being in entire accord. It does seem to me that in view of the fact that the growers, dealers, and warehousemen are in agreement with the language in the bill and think the language necessary to protect their interest that it would be a foolish act on our part to strike the language out of the bill. Surely no one desires to cripple a commodity that pays annually into the Treasury over $1,000,000,000 and surely this House will respect the unanimous opinion of those interested in tobacco.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. REES. About how much money do you expect to spend out of this fund for tobacco?

Mr. FLANNAGAN. I do not know. We have no control over that. That is out of our hands. But we say that if you are going to use any of this money for tobacco, here is the way it should be divided among the different types of tobacco.

Mr. REES. But why spend the taxpayers' money for tobacco instead of spending it for food?

Mr. FLANNAGAN. I am not arguing about that, but we are going to spend some of it for tobacco and if it is spent for tobacco, here is the ticket that we want to see written into the law. I hope the amendment is voted down.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. ELLIS. I would like to associate myself with the remarks of the gentleman from Virginia [Mr. FLANNAGAN] on this subject.

Mr. CHAPMAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. CHAPMAN. Unfortunately, I could not get time, but in answer to the question asked by the gentleman from Kansas [Mr. REES] I would like to say that spending the taxpayers' money for tobacco is not such a terrible thing when tobacco pays $1,200,000,000 in taxes each year.

Mr. PHILLIPS of California. Now, Mr. Chairman, I cannot let a discussion of the merits of tobacco come out of my very limited time.

This is what I am afraid of, that the paragraph having been put in and having been so worded in providing for the procurement of any such surpluses would, by that inclusion, refer it back to the various commodities which are much desired for nutritional purposes abroad. That is the only thing I am afraid of. Will the gentleman answer that?

Mr. HERTER. It means that the Administrator, wherever practical and possible, has got to apply this formula to every surplus agricultural commodity.

Mr. PHILLIPS of California. What would be the parliamentary situation if this were stricken out in the House? Could it be then discussed and put back or reworded in the conference?

Mr. HERTER. It could.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. VORYS. Does the gentleman feel that in this relief and feeding program there is any occasion for putting in the test of historical use in this country?

Mr. PHILLIPS of California. Yes; I do. I will give you an illustration.

Mr. VORYS. The important thing we have got throughout this bill and in other parts of the Aiken amendment is the test of feeding people over there, not unloading surpluses here.

Mr. PHILLIPS of California. All right. Now, dried fruits are very much desired abroad. Dried fruits were historically a commodity exported from this country. In another part of Europe citrus fruits were exported prior to the war. It would be desirable if the Administrator would give some thought to the fact that they had been historically exported.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman——

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. McCORMACK. It seems to me this whole thing can be cleared up if they struck out the words "any agricultural," and put in "surplus tobacco." Then you will be protected.

Mr. RICHARDS. I wanted to request the gentleman from Massachusetts [Mr. HERTER] to withdraw his amendment. I think the reason there is some confusion about his amendment is that we do not understand the purpose of this provision. The purpose of the provision is to give equal justice to growers of all types of tobacco in the United States, and the same thing applies to other agricultural surpluses.

The gentleman from California [Mr. ANDERSON] would like to see fruit in different areas given equal consideration. That is all it is. I believe it would be helpful all around for the gentleman from Massachusetts [Mr. HERTER] to agree to withdraw his amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. COOLEY. I would like to ask the author of the amendment why it would not clarify the situation if he followed the suggestion made by the gentleman from Massachusetts [Mr. McCORMACK] just to insert the word "tobacco" in place of "commodity." If they do not want to agree to that, I certainly hope the gentleman will not insist upon his amendment, because this amendment in the bill was considered at great length in the Senate.

Mr. RICHARDS. I do not think that would clarify it. I think the bill should be left just as it is.

Mr. COOLEY. I am inclined to agree with the gentleman, but I thought it would satisfy the author of the pending amendment.

Mr. HERTER. I would have no objection at all if the gentleman wanted to confine it to tobacco.

Mr. COOLEY. I thought that might clear it up as far as the gentleman is concerned.

Mr. RICHARDS. I do not believe that would clear it up as far as the gentleman is concerned. We have other surplus commodities such as fruits.

I think it would be best to leave the provision just as it is.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. COOLEY. I do not see how it would increase the difficulties of administration in view of the plain language of this provision.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

The gentleman from North Carolina [Mr. BONNER] is recognized.

Mr. BONNER. Mr. Chairman, I am convinced of the sincerity of the gentleman from Massachusetts in moving to strike out this provision, but the provision does not apply entirely to tobacco. As the gentleman from California stated, there is an application of this provision to dried fruits, there is an application of this provision to other agricultural commodities. I think it can be said and I admit, that it does apply primarily to tobacco because there are about five different types of tobacco grown in different parts of the country, used for different purposes. They have an historical basis of export to foreign countries, and the language in the bill is for the purpose of following as near as possible the past desire of each country to receive tobacco in accordance with the historical past. The language does not say that they shall be used in this bill, but if they are used and certainly tobacco has been asked for by those we have already in authority on the scene of activity in Europe for incentive purposes. There the language as now contained in the bill serves a most necessary purpose. We know our soldiers desire tobacco in all forms and we supply it generously, we know the workmen in Europe desire tobacco for incentive purposes. Our soldiers have been missionaries of the consumption of tobacco throughout Europe; and, as the gentleman from Kentucky has stated, tobacco is one of the largest revenue-producing crops in America. Certainly we are all convinced, whether we come from the West or the North or wherever it may be, we should encourage foreign consumption for revenue-producing purposes if we did not keep up this sale in Europe we would lose great revenue here in America.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. HOLMES. It must be remembered also that there are certain types of fresh fruits that have historical dependence upon their type of market and those markets have been built up over the years.

Mr. BONNER. The gentleman is correct.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Kentucky.

Mr. CHELF. Does not the gentleman feel that the best interests of everybody concerned would be served by the present language of the bill? Why change it?

Mr. BONNER. I can see no reason why the administrator of this bill after reading the debate cannot understand just what is intended by this language or where the language will have any damaging effect whatsoever on the administration of the act, and I earnestly request the membership of the House to vote down this amendment.

Mr. SASSCER. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to my fine friend from Maryland who I know is greatly interested in the tobacco farmer.

Mr. SASSCER. The purpose of incentive goods is to reduce the amount of goods and supplies that we may be called upon to furnish under this program. Tobacco is included as an incentive item and should be retained in the bill. I hope the amendment is voted down.

Mr. BONNER. I thank the gentleman from Maryland for his fine contribution, and again I urge all friends of agriculture to vote down this amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman. I had prepared an amendment to write the word "tobacco" into the bill, but if this relates to other commodities I do not think that would be a fair approach to a correction of what is about to be done and which would be almost disastrous to the tobacco-growing industry of many of the States.

In my own State of North Carolina the difference between a low price and a high price of tobacco is the ability to transport. There is not the ability to consume the tobacco that is grown by the markets in this country. It is a fact and we need not discuss that, that tobacco is considered an incentive and has been very desirable in war areas and in areas of destitution.

In the States of Ohio, West Virginia, Virginia, Maryland, Pennsylvania, and coming on down to North Carolina, South Carolina, and Georgia, a great part of the money derived from agricultural production comes from the growth and sale of tobacco. Our market would be very seriously crippled and our revenue as well; and the revenue which is paid to the Federal Government would be severely hurt. If this motion to strike out should carry I will offer an amendment to the amendment to save tobacco, but I did not want to do that if there were other commodities in any part of the United States that ought to come within it.

I really do not see what harm it would do to leave this section in the bill as it has come to us. I believe it ought to be here.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. REES. I just want to understand why we should use relief money to relieve the tobacco situation. I understand the gentleman to say that the tobacco growers will be in a terrible fix if we do not take this surplus tobacco off their hands. Perhaps so. But we should not

use this relief money for Europe for that purpose.

Mr. FOLGER. If we can take care of the people here economically, we will do that.

Mr. CHELF. They are not only getting the tobacco, but by having the tobacco themselves, they can tax it and help themselves.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The question was taken; and on a division (demanded by Mr. RICHARDS) there were—ayes 62, noes 68.

So the amendment was rejected.

Mr. TOLLEFSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: Page 75, line 22, after the period, insert "For the purposes of this act such term shall include any domestically produced fishery product (whether fish, shell fish, mollusk, or crustaceous) which is determined by the Secretary of Agriculture to be in excess of domestic requirements."

Mr. TOLLEFSON. Mr. Chairman, there are only two sources of food products, the land and the sea, and there is no good reason, as I see it, why fishery products should be excluded from the food-production and procurement program of this act.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Ohio.

Mr. VORYS. The committee is happy to accept the gentleman's amendment, and although it is hard to call fish an agricultural product, the gentleman, no doubt, can show why, under historic legislation, it can be considered in it.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, in response to the statement of the chairman of the committee, I might say that this is not the first time it has been necessary to expand the meaning of the words "agricultural commodities." In legislation before this House on previous occasions in food-procurement and relief programs, it has been necessary to expand the meaning of the words "agricultural commodities" to include fishery products. I am sure that it was not the intent of this committee to eliminate fishery products from the food-procurement program of the Administrator. Fishery products were perhaps not mentioned through oversight. This same situation has arisen in previous food-procurement and relief programs and it has been necessary for the House to approve legislation including fish. In 1939 the Secretary of Agriculture was authorized to transfer funds to the Surplus Commodities Corporation to be used for the purpose of diverting surplus fishery products from normal trade channels and distributing them to Federal, State, and private relief channels. The Agricultural Marketing Act of 1946 provides that the term "agricultural products" shall include fish and shellfish products. In the Agriculture appropriation bill passed by this House a few days ago the Secretary of Agriculture was authorized to expend funds for the development of foreign markets for fishery products. There have been other similar enactments so that there is, as the chairman of the committee suggests, a historical background for my proposed amendment. I am happy that the chairman and his committee will accept the amendment, and with that assurance I shall not dwell further upon the matter.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts, [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I hope that this amendment will be adopted. I am pleased to know that the committee has already approved it, because that follows the action of the House a week ago in amending the Agricultural appropriation bill approving fishery products in all its phases to be considered agricultural products. It seems to me that when we are providing food in its many phases to the people of Europe, that we may well and with profit also consider the fishery products. We have in mind, of course, that in this country we produce every year well over four and one-half billion pounds of fish, and there comes a time, perhaps seasonally, when we have a great surplus. I believe that fish, being the fine food that it is, should not be considered unavailable for distribution throughout the European countries, where it will serve a very useful purpose. I am grateful to the committee for accepting the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, this amendment and the next are important to large groups of our citizens—farmers, fishermen, and the workers who process their crops.

I suppose there will not be a Member of this body who votes for this foreign-aid bill who will not do so with misgivings and regret because of the sacrifices it will impose on the American people.

High though our purpose is from the humanitarian angle, and important as it is from the standpoint of enlightened self-interest, in our efforts to stem the tide of communism and protect human freedom without another world war—the cost will be great.

Our people and our economy will stagger under a grievous load no matter how well the plan works. The production of our farms and factories will be called upon to meet increased demands. If every effort is not made to keep our industrial machinery running smoothly, our resources, great as they are, will be insufficient to fill the requirements. Therefore it is imperative that every impetus and encouragement be given to our domestic production. We must eliminate bottlenecks wherever we find them.

I believe this amendment is of vital importance in this connection. There is not enough food in the world to feed the teeming population. During the war years our farmers and our fishermen were urged to produce more and ever more, yet too often good food is destroyed or permitted to go to waste and crops are permitted to rot in the fields. Food must not only be produced, but it must be preserved and distributed. Today many segments of the canning industry are impeded by abnormal surpluses of accumulated stocks. As of last March, for example, there were over 7,000,000 cases of tomatoes, nearly 11,000,000 cases of tomato juice, and over 13,000,000 cases of green peas clogging the shelves of warehouses and the storerooms of the packers. The 1946 pack of sweet potatoes is largely unsold. These are only a few of the fine canned and processed foods that are now in abundant supply. A new crop year is fast approaching. If these accumulated stocks are not moved, our canneries cannot work at full capacity. If the canneries cannot absorb the potential production, farmers will suffer. Either their crops will have to be curtailed or they may rot in the fields. This will result not only in loss of food which the world needs, but will cause serious and unnecessary losses to our farmers and their families, the canners and workers, the people who pay the taxes and make the sacrifices here at home.

As was so well pointed out last Thursday by the distinguished gentleman from Louisiana [Mr. LARCADE], there is much more to this feeding problem than caloric values. We might as well face the fact that unless the maximum use of surplus foods is specifically directed, the often-expressed will of Congress in this regard will continue to be nullified by the formula that demands the most calories for a dollar. The maze of departments and the bureaucrats that pass on these matters will end up by making further heavy demands on grain and thereby add to scarcities and to the cost of living at home. Our domestic economy will be hampered and production of food decreased. If our people are to make these sacrifices—if they are to send these billions abroad—if they must continue to wait for road, post office, school, harbor, and other improvements long due in so many parts of our land, at least we should make it as simple as possible for them to produce the food and earn the wherewithall to pay the taxes required.

Mr. Chairman, I urge the passage of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. TOLLEFSON].

The amendment was agreed to.

Mr. LARCADE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LARCADE: On page 75, subsection (d), line 20, after the comma insert "canned and other food commodities."

Mr. LARCADE. Mr. Chairman, this is similar to the amendments just adopted. In order to save time, may I ask if the committee will accept the amendment?

Mr. VORYS. What does the amendment include?

Mr. LARCADE. It provides for the inclusion in the bill of the purchase of surplus canned foods.

Mr. VORYS. "And other food commodities" includes anything on earth, does it not?

Mr. LARCADE. I would not say it covers everything on earth, but it does include canned foods.

Mr. VORYS. Can the gentleman tell me anything that is not included under "other commodities"? If the gentleman will strike out those words so that we will now what his amendment means, we might be able to agree to it.

Mr. LARCADE. I will be glad to do so.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Georgia.

Mr. PACE. The truth is that the "other foods commodities" was put in there for the sole purpose of including fish. Inasmuch as the amendment on fish has already been adopted, the gentleman can easily modify his amendment.

Mr. LARCADE. I will be glad to do so if the committee will accept the amendment.

Mr. Chairman, I ask unanimous consent that my amendment may be modified so as to provide that on page 75, line 20, after the comma, the words "canned foods" be inserted.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does that include canned fish?

Mr. LARCADE. Yes.

Mr. HOFFMAN. Or just agricultural products?

The CHAIRMAN. The Clerk will report the amendment as proposed to be modified.

The Clerk read as follows:

Modified amendment offered by Mr. LARCADE: On page 75, line 20, after the comma insert "canned foods."

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana, as modified.

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 75 at the end of line 17, strike out the period and insert the following: "The amounts of corn and derivatives of corn produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States corn used to produce the derivatives procured in the United States for transfer by grant to such countries under this title shall not be less than 50 percent of the aggregate of the unprocessed corn and corn derivatives procured in the United States for transfer by grant to such countries under this title."

Mr. HOFFMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN to the amendment offered by Mr. DIRKSEN: After the word "derivatives" as it appears in three places in the amendment, add the words "except intoxicating liquor."

Mr. HOFFMAN. Mr. Chairman, as long as you have all the agricultural products in there except corn, it is all right with me if you want to add corn and the corn-food products. You have tobacco in there. So the folks on relief can smoke and they can chew, and about that I am not complaining. You may need the million to buy tobacco in order to get the votes from the South. But I surely object to paying for any corn that is going to be used to make whisky, or whatever intoxicating liquor they make out of corn.

Now, this money is to be spent in other countries to feed hungry people, so we are told. We send it over there to stop communism. You do not need to get them drunk to stop communism. And some of our own folk do not wish tax money spent for liquor. The more sober they are the sooner they will find out they are wrong in thinking communism, which is a sort of mental drunkenness, is a good thing.

I have great sympathy, of course, for the corn growers—not so much as I had last year, because we had to pay $2.70 a bushel for corn not so long ago, when a man who was farming for me did not have enough. Paying that price reduced my love for the corn grower somewhat. Even I try to grow corn. Two dollars and seventy cents a bushel for corn is a pretty high price. So, if we take care of the corn growers and buy their corn to ship abroad, that may be all right. I will go along with that. I will go along with some of "the derivatives" of corn. I do not know just what that means. My friend, the gentleman from Illinois [Mr. DIRKSEN] has a wonderfully fine vocabulary, but I have a sneaking idea that "derivatives" as used in his amendment, means corn liquor. Hence this amendment to his amendment. I do not believe we ought to put that "derivatives" in there without this little qualification. What are the folks going to think about it? They are going to be short of food here at home—short of corn-meal mush, corn pone, corncob pipes. Prices are going to be high. They cannot get this, that, or the other item of food in the months to come. They are going to be mad about that. Hot under the collar when prices keep shooting up and up. No matter even if it is good liquor. When the housewife sees hungry children and remembers that she is short on breakfast foods made from corn—that there is no corn-meal mush—she will be asking you: Did you use that corn to make liquor to send to the starving people in Europe? Your answer?

Everything that comes from the gentleman's district is fine, but we should not spend the money of the WCTU ladies to buy corn to make whisky to send abroad under the guise that we are stopping communism and feeding the hungry. That idea is just too much to swallow—even with a slug of liquor back of it.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Michigan to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN] as amended.

The amendment as amended was agreed to.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to try to obtain some information which I think would be very helpful, with reference to steel and petroleum. Something has been mentioned about steel this afternoon. I would like to ask two or three pertinent questions about this program as it relates to steel and petroleum products.

Mr. Chairman, this program, according to the report, anticipates the expenditure of some three and one-half billions of dollars for petroleum requirements to the participating countries over the period of 4 years. As I understand, the first year there will be something like three-quarters of a billion that will go into the purchase of petroleum products for the participating countries. In the CEEC report it is said that the total estimate of dollar expenditures for petroleum requirements, petroleum equipment, and tanker shipping for over a 4-year period amounts to three and a half billion dollars.

I assume, Mr. Chairman, that that means more than the purchase of crude and petroleum products. I should like to ask the gentleman if it is any intention of using any of this money for the development of oil production in areas where the participating countries operate and are developing such products? Referring specifically to the British development in the Middle East.

Mr. VORYS. I do not know where the gentleman gets the figure that there is going to be $3,500,000,000 used for building petroleum machinery.

Mr. HARRIS. I get it out of the Commodity Report, European Recovery Program, chapter G, which is petroleum, and filed with the gentleman's committee and which the committee used, no doubt in the consideration of this legislation. On page 5 of that report appears the statement:

The total estimate of dollar expenditures for petroleum requirements, petroleum equipment, and tanker shipping over the 4-year period amounts to $3,500,000,000.

Does that mean this money is going to be used by the British to develop the British oil fields in the Persian Gulf area? That it will take steel for tubular and other oil-country goods, line pipe and such requirements and equipment for the development of those fields in order to supply the requirements of the participating countries? I know the plan is to increase the refinery capacity in the participating countries to some 800,000 barrels refining capacity per day. I under-

stand that all right, but it seems to me it is all-important in view of the shortages of steel for all types of uses in this country, that this should be clarified. We should give very careful consideration as to how much of the tubular goods, casing, and line pipe, and so forth, is going to be taken from domestic uses and shipped to the Middle East to develop oil fields there in order that the participating countries' requirements be met.

Mind you, the program is that during the first year, 1948, some 76.7 percent of the petroleum requirements will come from the Western Hemisphere and also 17.9 percent from the Middle East, but at the end of this adventure the sources of supply will be that 82.1 percent, according to the estimate, will come from the Middle East, and only a small percentage will come from the Western Hemisphere.

I ask again, Mr. Chairman—

First. Will any of the money be used for the development of the oil fields of the Middle East, Persian Gulf area?

Second. If so, how much will be used to develop the British-controlled fields.

Third. How much steel, if any, will be given for this purpose?

Fourth. How much steel, if any, will be purchased for the British pipe line from the oil field to the Mediterranean with these funds?

Fifth. Will any steel be purchased for the development of the British refineries in the Persian Gulf fields or on the Mediterranean coast in Palestine with these funds?

Sixth. And how much steel will be used to develop the refinery capacity in participating countries?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The Clerk read as follows:

REIMBURSEMENT TO GOVERNMENT AGENCIES

SEC. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided*, That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further*, That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

Mr. HESELTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to detain the committee at this late hour but I do feel compelled to ask certain questions of the committee in terms of subsection (b) of section 112, which provides:

(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

My object is twofold. First I want to emphasize the soundness of what was stated here a moment ago by the gentleman from Arkansas in terms of any undertaking to build up competitive industry in some of these other countries at the expense of our own domestic industries and to inquire what precautions the committee has in mind that should be unquestionably taken by the Administrator to prevent that result.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I am happy to yield to the gentleman from Arkansas.

Mr. HARRIS. I would like very much for the gentleman who is handling this matter for the committee to answer the question, which apparently he did not wish to answer a moment ago.

Mr. HESELTON. I think it is a very important question and I, too, would like to get an answer.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Ohio.

Mr. VORYS. The Acting Chairman for the moment confesses with great humility his lack of expert knowledge in the field of petroleum when being interrogated by two such experts as both the gentlemen. I do not even have the skill to follow through the rather long involved questions the gentlemen asked me.

If the gentlemen would get their questions to me I will seek to secure categorical answers by tomorrow to the questions that they raise.

I may say that the statement of purpose in section 112 (b), and that language was not changed since it came from the other body, shows the view of the Senate and of the House Foreign Affairs Committee as to the way in which the petroleum-producing machinery should be used. I know that a part of the plan is to secure petroleum-producing equipment and pipe lines from Germany and other places to relieve the drain on our country, both so far as petroleum and steel are concerned. That is an ultimate objective of the plan.

The gentlemen are so expert in the field I would rather have their questions written. If their purpose is to show my lack of knowledge of the entire field of the petroleum problem, I immediately confess my weakness. If their purpose is to secure categorical answers, I will obtain them by morning.

Mr. HESELTON. I assure the gentleman that was not my purpose in any sense of the word. If it is agreeable to the Acting Chairman and if he will read the questions that have been asked by both of us and see that we will have the answers in the RECORD tomorrow in terms of interpretation of this act I think it will be extremely useful.

Secondly, I want to call the acting chairman's attention to a report I am sure has come to the attention of his committee. I refer to the progress report of the Committee on Interstate and Foreign Commerce on the fuel investigation, dated February 27, 1948, in which this very problem of the European recovery program was dealt with extensively. May I ask your consideration of one paragraph in that report which is of vital importance to the people in this country in terms of shortages we have had and the shortages we undoubtedly will continue to have unless this program is wisely administered.

That is this:

It appears that the largest increase in prospective demand of nearly all the European countries is in gas, Diesel, and fuel oil. This European demand results in part from the greatly increased use of Diesel engines in road and railroad transportation, agriculture, shipping, and industry, but mainly caused by the conversion from coal to oil in industry and shipping between 1945 and 1947.

In the total energy balance of these countries, oil has always played a much less prominent role than it has in the United States. In view of the uncertainties as to supply, it appears that this may not be the time for encouragement of any large-scale conversion in European countries from coal to oil. This would appear true, for example, in France, in the conversion of railway power from coal to oil; in Greece, in the allocations of gas, oil, and fuel oil to industrial use; in Portugal, in the conversion of the fishing fleet to motorboats and oil-burning trawlers; in Holland, in conversion to motorboats and tugs on the inland waterways; in Italy, in expansion of motorships; and in various countries in the expansion of highway transportation.

I wish the Committee would indicate whether they intend that such conversions are not to be included in this program. What base period will be used by the Administrator—1938 or 1947 or what period? What does it mean by an "undesirable expansion of petroleum-consuming equipment"?

Surely some understandable standard can be provided. Are we to underwrite the conversion of railway power from coal to oil, the conversions of fishing fleets, of motorboats and tugs, the expansion of motorships and of highway transportation beyond the 1938 level or the 1947 level? If so, what justifications are offered?

Certainly, this Congress is responsible to the American people. It must weigh the probabilities involved so far as their

comfort, their health, and their security are concerned. Is it not obvious that we cannot hope to accomplish what this program seeks to accomplish if we ignore the necessity of answers to these legitimate questions? We must not cripple our own productive capacity, which is the key to the success of this effort.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

Mr. VORYS. I am constrained to object, Mr. Chairman. If the gentleman will extend his remarks, we will get the answers for him.

The Clerk read as follows:

AUTHORIZATION OF APPROPRIATIONS

SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest from appropriations authorized under this title for advances made by it hereunder.

(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however*, That for carrying out the provisions and accomplishing the purposes of this title for the period of 1 year following the date of enactment of this act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of 12 months in order that subsequent Congresses may pass on any subsequent authorizations.

(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

(e) The unexpended portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the same terms and conditions as are provided in section 115 (b) (6) of this title.

(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of $3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provisions of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

Mr. VORYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 2202, the Foreign Assistance Act of 1948, had come to no resolution thereon.

FIRST DEFICIENCY APPROPRIATION BILL, 1948

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 6055) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 1618), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. GORE reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. RIZLEY asked and was given permission to revise and extend the remarks he made in Committee and include a letter.

Mr. MUNDT asked and was given permission to revise and extend the remarks he made in Committee and include extraneous material.

Mr. KIRWAN (at the request of Mr. BUCHANAN) was given permission to extend his remarks in the RECORD and to include an article.

Mr. ROONEY (at the request of Mr. MCCORMACK) was given permission to extend his remarks in the RECORD.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOFFMAN. Mr. Speaker, when the minority report on House Joint Resolution 342 came in it came in so late it was impossible to make any answer to it or to include the views of the majority. I ask unanimous consent that the supplemental report I have written may be filed and printed in a sufficient number to equal the number of the original report.

The SPEAKER. Is there objection to the request of the gentlemen from Michigan?

There was no objection.

COMMEMORATIVE STAMPS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 584)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith without my approval House Joint Resolution 251, to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the coming of the Swedish pioneers to the Middle West.

Under existing law the Postmaster General has general authority to issue commemorative postage stamps, and such stamps are issued from time to time for the purpose of honoring significant events in American history. However, the commemorative stamps that can be approved each year must be restricted to a comparatively few issues because of the limited production facilities of the Bureau of Engraving and Printing. The issuance of the stamp provided for by this joint resolution might make necessary the cancellation of one or more of the special stamps which the Postmaster General has already announced will be issued during 1948 for the purpose of commemorating other historic events.

I am proud, as other Americans are, of the contributions which have been made to our democracy by Americans of Swedish origin, and I believe that these contributions should be recognized by all appropriate means. However, a special stamp in commemoration of the establishment of the first colony of Swedish and Finnish settlers in America was issued in 1938. Thus, the event to be honored by the present measure is similar to one which has already been honored by the issuance of a special postage stamp within recent years. Equitable use of the practice of recognizing the historic importance of events by the issuance of special stamps requires that this recognition be accorded

at this time to other elements in our national life.

For these reasons, I am unable to approve this joint resolution.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 30, 1948.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on Post Office and Civil Service and ordered to be printed.

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RUBBER ACT OF 1948

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DECORATIONS TENDERED RETIRED OFFICERS AND EMPLOYEES OF THE UNITED STATES BY FOREIGN GOVERNMENTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 583)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am forwarding, for the consideration of the Congress, a communication from the Secretary of State transmitting a list of those retired officers or employees of the United States for whom the Department of State under the provisions of the act of January 31, 1881 (U. S. C., title 5, sec. 115), is holding decorations, orders, medals, or presents tendered them by foreign governments.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 30, 1948.*

(Enclosures: 1. From the Secretary of State. 2. List.)

TRANSPORTATION OF PERSONNEL AND CARGO BY MILITARY AND NAVAL AIRCRAFT

The SPEAKER laid before the House the following communication from the Secretary of Defense:

MARCH 23, 1948.

Hon. JOSEPH W. MARTIN, Jr.
Speaker of the House.

MY DEAR SPEAKER MARTIN: In order to insure uniformity and promote economy, I issued an order on November 18, 1947, setting forth the policies governing transportation of personnel and cargo by military and naval aircraft. This order, copy of which is attached hereto, authorized the provision of air transportation when:

a. The traffic is of official concern to the National Military Establishment.

b. The traffic is of official concern to other Government departments or agencies, or the legislative or judicial branches of the Government subject to subparagraph d below.

c. The traffic, although nongovernmental in character, is in the national interest, subject to subparagraph d below.

d. Under b and c above, the Civil Aeronautics Board certifies that there are no adequate United States civil air carriers available to handle such traffic. As a general policy the aviation organization of the armed forces shall not be placed in a position of competing with United States commercial air transportation.

The three military departments are encountering considerable difficulty in applying this policy because of varying interpretation of the phrases "national interest" and "official concern." I have recently reaffirmed the policy of November 18, 1947, and have directed all elements of the National Military Establishment to exercise great caution and self-restraint in the use of military and naval air transportation. As a further means of insuring appropriate use of limited resources, I would appreciate such measures as you consider desirable to inform Members of the House of the prevailing policy, and to encourage uniform interpretation thereof.

Sincerely yours,

JAMES FORRESTAL.

FUEL SHORTAGES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to announce to the House that the resolution which I introduced, and which was passed by the House, asking the Secretary of the Interior to describe the amount of oil and coal on hand now and the solution for the shortages of those commodities, went to him on the 17th of February, but nothing has been done about it thus far. This inaction is strange, and indicates an intention not to give the information.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 329. An act for the relief of Gentaro Takahashi; to the Committee on the Judiciary.

S. 419. An act for the relief of Mrs. Teruko Matsukawa (nee Teruko Nagai); to the Committee on the Judiciary.

S. 642. An act for the relief of Tang Sik Pui, his wife, and his five minor children; to the Committee on the Judiciary.

S. 661. An act for the relief of Mrs. Lum Shee Jung; to the Committee on the Judiciary.

S. 692. An act to authorize a mileage allowance of 7 cents per mile for United States marshals and their deputies for travel on official business; to the Committee on the Judiciary.

S. 740. An act to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne; to the Committee on the Judiciary.

S. 755. An act for the relief of Toraichi Ambo; to the Committee on the Judiciary.

S. 940. An act for the relief of Mrs. Chieko S. Kawakami; to the Committee on the Judiciary.

S. 1045. An act for the relief of Mrs. Lucia Kim; to the Committee on the Judiciary.

S. 1055. An act for the relief of Mrs. Irma M. Pierce and Charles Z. Pierce; to the Committee on the Judiciary.

S. 1186. An act for the relief of Thorvaldur Hliddal; to the Committee on the Judiciary.

S. 1451. An act for the relief of Perfecto M. Biason and Joan Biason; to the Committee on the Judiciary.

S. 1771. An act authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyoming, Shoshone reclamation project, Wyoming, to the James S. McDonald Post, No. 5054, Veterans of Foreign Wars, Powell, Wyo.; to the Committee on Public Lands.

S. 1806. An act for the relief of Ensign Merton H. Peterson, United States Naval Reserve; to the Committee on the Judiciary.

S. 1950. An act to provide for a decennial census of housing; to the Committee on Post Office and Civil Service.

S. 1985. An act to amend the act entitled "Boulder Canyon Project Adjustment Act," approved July 19, 1940; to the Committee on Public Lands.

S. 2278. An act to authorize the sale of certain public lands in San Juan County, Utah, to the Southwest Indian Mission, Inc.; to the Committee on Public Lands.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry;

H. R. 2214. An act for relief of Dave Hougardy;

H. R. 2347. An act for the relief of Mrs. Akiko Tsukado Miller;

H. R. 3061. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontinguous territory;

H. R. 4177. An act for the relief of William L. Cunliffe;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration and for other purposes;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes, and platinum fox furs, and for other purposes;

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended.

BILL PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee did on March 29, 1948, present to the President, for his approval, a bill of the House of the following title:

H. R. 2298. An act to amend the Interstate Commerce Act, as amended, and for other purposes.

ADJOURNMENT

Mr. LODGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 31, 1948, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1422. A letter from the Acting Chairman, Securities and Exchange Commission, transmitting the Thirteenth Annual Report of the Securities and Exchange Commission, for the fiscal year ended June 30, 1947; to the Committee on Interstate and Foreign Commerce.

1423. A letter from the assistant to the Attorney General, transmitting a draft of a proposed bill to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

1424. A letter from the Acting Secretary of the Navy, transmitting a report of proposed transfer of a landing ship, tank, or vessel of similar type, to the Cape May County Ferry Commission; to the Committee on Armed Services.

1425. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

1426. A letter from the executive secretary, American Chemical Society, transmitting the Annual Report of the American Chemical Society, for the calendar year 1947; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TABER: Committee on Appropriations. H. R. 6055. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 1618). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 1468. A bill to provide for the review of certain orders of the Interstate Commerce Commission and the United States Maritime Commission and giving the United States courts of appeals jurisdiction on review to enjoin, set aside, or suspend such orders; with amendments (Rept. No. 1619). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 1470. A bill to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended; with amendments (Rept. No. 1620). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 2271. A bill to incorporate into the Judicial Code the provisions of certain statutes relating to three-judge district courts, and for other purposes; with amendments (Rept. No. 1621). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 6039. A bill to authorize the permanent appointment in the Regular Army of one officer in the grade of general and to authorize the permanent appointment in the Regular Air Force of one officer in the grade of general, and for other purposes; to the Committee on Armed Services.

By Mr. HAGEN:

H. R. 6040. A bill to exempt from income tax retired pay of enlisted members of the armed forces; to the Committee on Ways and Means.

By Mr. GEARHART:

H. R. 6041. A bill to provide survivors insurance protection under the Social Security Act for certain civilians employed during the war outside the United States in the construction and maintenance of military or naval bases of the United States; to the Committee on Ways and Means.

By Mr. NODAR:

H. R. 6042. A bill to amend the National Service Life Insurance Act of 1940, as amended, paragraph (t) of section 602, to provide lump-sum payment of national service life insurance claims which matured prior to August 1, 1946, in any case where the beneficiary, now receiving monthly payments, so elects; and to afford to the beneficiary an election of the optional modes of settlement of claims maturing on or after August 1, 1946; to the Committee on Veterans' Affairs.

H. R. 6043. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 6044. A bill to remove certain restrictions on the acquisition and holding, or transportation, of gold coin, bullion, currency, certificates, or securities, and for other purposes; to the Committee on Banking and Currency.

By Mr. KELLEY:

H. R. 6045. A bill amending the act approved December 2, 1942, which provides compensation for injury, death, or detention of employees of contractors with the United States and certain other persons or reimbursement therefor; to the Committee on Education and Labor.

By Mr. BLAND:

H. R. 6046. A bill to authorize the Postmaster General to assign space in the United States Post Office, Courthouse, and Customhouse Building at Newport News, Va., for use by the Corporation Court of Newport News and by the Circuit Court of the Eleventh Circuit of the Commonwealth of Virginia; to the Committee on Post Office and Civil Service.

By Mr. HARRISON:

H. R. 6047. A bill to revive and continue certain provisions of the War Labor Disputes Act; to the Committee on Education and Labor.

By Mr. HARDIE SCOTT:

H. R. 6048. A bill to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on Education and Labor.

By Mr. ANDREWS of New York:

H. R. 6049. A bill to authorize the President, in his discretion, to permit the stoppage of work on certain combatant vessels; to the Committee on Armed Services.

By Mr. BEALL:

H. R. 6050. A bill to amend an act approved July 16, 1947, entitled "An act to provide revenue for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. POULSON:

H. R. 6051. A bill to provide for the relief and welfare of the Agua Caliente Band of Mission Indians, of Palm Springs, Calif.; for the withdrawal of Federal supervision; for the control of its property by its tribal council, for a corporation of its members to manage and improve its lands; for certain allotments, patents, and leases; and for other purposes; to the Committee on Public Lands.

By Mr. TRIMBLE:

H. R. 6052. A bill to amend section 10 of the Flood Control Act of 1944; to the Committee on Public Works.

By Mr. MUNDT:

H. R. 6053. A bill for expenditure of funds for cooperating with the public-school board at Sisseton, S. Dak., for the extension of public-school facilities to be available to all Indian children in the district; to the Committee on Public Lands.

By Mr. HOPE:

H. R. 6054. A bill to establish conservation and orderly development of the Nation's agricultural land and water resources as a basic policy of the United States, to provide for a national agricultural land- and water-conservation program, and for other purposes; to the Committee on Agriculture.

By Mr. TABER:

H. R. 6055. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. BUCK:

H. R. 6056. A bill to amend an act of Congress approved February 9, 1881, which granted a right-of-way for railroad purposes through certain lands of the United States in Richmond County, N. Y.; to the Committee on Public Lands.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the acquisition of Angel Island in San Francisco Bay as a State park; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to enact a universal military training law; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States requesting a critical investigation of the Drefkoff plan for industrialization of the Navajo Indian Reservation; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to repeal the Federal transportation tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 6057. A bill for the relief of Anacortes Shipways, Inc. (Pacific Shipways Division), and for other purposes; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 6058. A bill for the relief of S. L. Ayres & Co., Inc.; to the Committee on the Judiciary.

H. R. 6059. A bill for the relief of Mrs. Zumrut Zelveian, Haig Zelveian, and Mary Zelveian; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 6060. A bill to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Hawaiian Airlines, Ltd.; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 6061. A bill for the relief of Mrs. Ethel N. Plunkett; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 6062. A bill to authorize the President of the United States to present the Congressional Medal of Honor to Thomas W. Doyle; to the Committee on Armed Services.

By Mr. MULTER:

H. R. 6063. A bill for the relief of Cosmo Casati; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 6064. A bill for the relief of Hanna Mussbach; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1668. By Mr. ELSTON: Petition of Frank Rohe and 54 other residents of Cincinnati, Ohio, and vicinity, urging support of legislation to reduce postage for relief packages mailed to certain European countries; to the Committee on Post Office and Civil Service.

1669. By Mr. LARCADE: Petition of Mrs. N. J. Amy and other members of the Woman's Christian Temperance Union of Eunice, La., in regard to S. 265; to the Committee on Interstate and Foreign Commerce.

1670. By Mr. NORBLAD: Petition signed by Dorothy D. Dunmire and 27 other citizens of Clackamas County, Oreg., in support of the Marshall plan; to the Committee on Foreign Affairs.

1671. Also, petition signed by Mildred L. Anderson and 22 other citizens of Dallas, Oreg., in support of the Marshall plan; to the Committee on Foreign Affairs.

1672. Also, petition of Mrs. Lois C. Upjohn, of Salem, Oreg., and 34 other citizens of the State of Oregon, in support of the Marshall plan; to the Committee on Foreign Affairs.

1673. By the SPEAKER: Petition of Slovak Action Committee petitioning consideration of their resolution with reference to Slovak national independence; to the Committee on Foreign Affairs.

1674. Also, petition of Naval Reserve Officers Association of Tokyo, Yokohama Chapter, No. 159, petitioning consideration of their resolution with reference to mobilization of the Reserve and enactment of the European recovery program; to the Committee on Armed Services.

1675. Also, petition of J. Jasper Spurling and others, petitioning consideration of their resolution with reference to opposition to a peacetime draft; to the Committee on Armed Services.

1676. Also, petition of Jean Eaton and others, petitioning consideration of their resolution with reference to opposition to the Towe bill (H. R. 4278); to the Committee on Armed Services.

SENATE

WEDNESDAY, MARCH 31, 1948

(Legislative day of Monday, March 29, 1948)

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

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, inspire us to carry on during this day with confidence and a clear vision of the glorious triumph of justice and righteousness.

May all who are serving our generation in these times of unparalleled problems be guided by Thy spirit to find practical and promising ways of mediating to struggling humanity the Master's way of the more abundant life.

Fortify us against those specters of fear which haunt us in our hours of perplexity. May we never surrender to defeatism. Help us to bear testimony that we are the intrepid pilgrims of a greater faith and a larger hope.

In Christ's name we pray. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 30, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

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 30, 1948, the President had approved and signed the following act:

S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended;

H. R. 718. An act for the relief of Clarence J. Wilson and Margaret J. Wilson;

H. R. 986. An act for the relief of Leslie H. Ashlock;

H. R. 1215. An act for the relief of Kazue Oda Takahashi;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry;

H. R. 2214. An act for relief of Dave Hougardy;

H. R. 2347. An act for the relief of Mrs. Akiko Tsukado Miller;

H. R. 3061. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 3118. An act for the relief of Mrs. Susan W. Roe;

H. R. 3229. An act to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory;

H. R. 4177. An act for the relief of William L. Cunliffe;

H. R. 4478. An act to provide basic authority for certain administrative expenditures for the Veterans' Administration, and for other purposes;

H. R. 4938. An act to amend the Tariff Act of 1930 with reference to platinum foxes and platinum-fox furs, and for other purposes;

H. R. 4943. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the territory of the Republic of the Philippines;

H. R. 5049. An act to reopen the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

ARTHUR H. VANDENBERG

Mr. WHERRY. Mr. President, on March 31, 1928, a young man came to Washington from Michigan to take his place in the Senate by appointment. During his years of service since that time, he has distinguished himself, not only as a citizen of Michigan, not only as a great statesman of the United States of America, but as a leader in world affairs. I pay my compliment today, in this brief comment, to the distinguished senior Senator from Michigan, ARTHUR H. VANDENBERG, the President pro tempore of the Senate, who has blazed a notable trail in these 20 years and has set before us an enviable pattern of faithful and high-minded public service. I suggest that when the history of our times is written ARTHUR H. VANDENBERG will occupy a glorious place as a great statesman and a great American. [Applause.]

Mr. DONNELL. Mr. President, the distinguished Senator from Nebraska has, I am sure, stated the sentiments not only of the minds but of the hearts of the Members of the Senate, for not only has our distinguished President pro tempore—who has at times commented with some question mark in regard to the pro tempore portion of his title—given to us a magnificent example of leadership and statesmanship, but by his fine personal qualities he has endeared himself to the Members of this great body. As one of the newer Members of the Senate, and one who has long been an admirer of the Senator from Michigan, I take pleasure in joining the Senator from Nebraska in his eloquent expressions of appreciation.