

during this session of Congress, it is the question of foreign relations. There is no new policy involved here.

Consideration of this bill was delayed because some members of the Committee on Foreign Relations went to Europe to find out at first hand what the situation is. That was important for the committee and for the Senate. Did they regard it as necessary that we stop the work of the Senate while they were gone? No. During that time we passed important bills.

If we in the Senate stop our work every time some Senators have to be absent on official business, we shall hardly accomplish anything at all, because during this session there has scarcely been a time when some Senators have not been absent on official business.

So we shall have to get along as best we can.

Mr. President, I am about to make a motion.

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

RECESS

Mr. McFARLAND. I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 30, 1951, at 12 o'clock meridian.

SENATE

THURSDAY, AUGUST 30, 1951

(Legislative day of Monday, August 27, 1951)

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

Rev. Idris W. Jones, associate minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

Our Father and our God, we would lift into Thy presence the Members of this body whose decisions affect the destiny of so many. Keep them true to the noblest insights they have learned from Thee through life and experience.

We all need Thy guidance, our Father. May we so plan, speak, and act that when we come to the close of this day, in the quiet of our rooms, each of us may sense the word of the Lord, "Well done, good and faithful servant." This is our prayer for this day. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 29, 1951, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

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 the President had approved and

signed the following acts and joint resolution:

On August 23, 1951:

S. 674. An act for the relief of Arthur Koestler.

(The above act became law without the President's signature.)

On August 28, 1951:

S. 61. An act for the relief of Sister Carmen Teva Ramos;

S. 248. An act authorizing the President of the United States to issue a proclamation designating 1951 as Audubon Centennial Year;

S. 289. An act for the relief of Arno Edwin Kolm;

S. 630. An act to suspend until August 15, 1951, the application of certain Federal laws with respect to an attorney employed by the Senate Committee on Labor and Public Welfare;

S. 1214. An act to authorize and direct conveyance of a certain tract of land in the State of Florida to the St. Augustine Port, Waterway, and Beach District; and

S. J. Res. 42. Joint resolution consenting to an interstate compact to conserve oil and gas.

On August 29, 1951:

S. 100. An act to record the lawful admission for permanent residence of certain aliens;

S. 518. An act for the relief of Dr. Isaac C. Goldstein;

S. 530. An act for the relief of Gerhard H. A. Anton Bebr;

S. 818. An act to authorize the sale of certain allotted land on the Crow Reservation, Mont.;

S. 1033. An act authorizing the Secretary of the Interior to issue a patent in fee to Lucille Ellen Sanders Groh;

S. 1034. An act authorizing the Secretary of the Interior to issue a patent in fee to Julia Jackson Sanders;

S. 1036. An act authorizing the Secretary of the Interior to issue a patent in fee to Julia Jackson Sanders;

S. 1474. An act for the relief of E. C. Browder and Charles Keylon;

S. 1503. An act for the relief of Harold Frederick D. Wolfgramm; and

S. 1673. An act to authorize and direct the Administrator of General Services to transfer to the Department of the Air Force certain property in the State of Mississippi.

On August 30, 1951:

S. 652. An act for the relief of Ruth Alice Crawshaw;

S. 930. An act for the relief of Ivan Herben, his wife, son, and daughter-in-law; and

S. 1242. An act for the relief of Salomon Henri Laifer.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. SMITH of New Jersey was excused from attendance on the sessions of the Senate, after this evening, for an indefinite period, to attend the negotiations in connection with the signing of the Japanese Peace Treaty at San Francisco.

On his own request, and by unanimous consent, Mr. KNOWLAND was excused from attendance on sessions of the Senate beginning at 10 o'clock this evening and continuing for the remainder of this week and all of next week.

On his own request, and by unanimous consent, Mr. HICKENLOOPER was excused from attendance on the sessions of the Senate while attending the signing of the Japanese Peace Treaty in San Francisco.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications, which were referred as indicated:

PROPOSED PROVISION PERTAINING TO APPROPRIATIONS FOR EMERGENCY AGENCIES, 1951 (S. Doc. No. 65)

A communication from the President of the United States, transmitting a proposed provision pertaining to appropriations for the fiscal year 1951, for emergency agencies (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED DEFICIENCY APPROPRIATION FOR THE JUDICIARY (S. Doc. No. 66)

A communication from the President of the United States, transmitting a proposed deficiency appropriation, in the amount of \$70,000, for the judiciary, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF THE INTERIOR (S. Doc. No. 67)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of \$5,000,000, for the Department of the Interior, fiscal year 1952 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AMENDMENT OF CONSTITUTION RELATING TO TAXING POWERS OF FEDERAL GOVERNMENT—CONCURRENT RESOLUTION OF NEW HAMPSHIRE LEGISLATURE

Mr. BRIDGES. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a concurrent resolution adopted by the New Hampshire State Legislature and which has been approved by the Honorable Sherman Adams, Governor of New Hampshire.

The resolution pertains to a request to the Congress of the United States to call a constitutional convention for the purpose of considering an amendment to the Constitution of the United States pertaining to the tax powers of the Federal Government.

I commend the text of this concurrent resolution and proposed amendment to the attention of my colleagues here in the Senate.

The concurrent resolution presented by Mr. BRIDGES was referred to the Committee on the Judiciary.

(See concurrent resolution printed in full when laid before the Senate by the President pro tempore on August 28, 1951, p. 10716, CONGRESSIONAL RECORD.)

CONTRIBUTION TO UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND—REPORT OF A COMMITTEE

Mr. GREEN. Mr. President, from the Committee on Foreign Relations, I report favorably an original bill to authorize the contribution of \$12,000,000 to the United Nations International Children's Emergency Fund, and I submit a report (No. 723) thereon.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2079) to authorize the contribution of \$12,000,000 to the United

Nations International Children's Emergency Fund, reported by Mr. GREEN from the Committee on Foreign Relations, was read twice by its title and ordered to be placed on the calendar.

AMENDMENT OF REVISED STATUTES RELATING TO UNDERWRITING AND DEALING IN SECURITIES ISSUED BY CENTRAL BANK FOR COOPERATIVES—REPORT OF A COMMITTEE

Mr. MAYBANK. Mr. President, from the Committee on Banking and Currency, I report favorably an original bill to further amend section 5136 of the Revised Statutes, as amended, with respect to underwriting and dealing in securities issued by the Central Bank for Cooperatives, and I submit a report (No. 724) thereon.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

The bill (S. 2085) to further amend section 5136 of the Revised Statutes, as amended, with respect to underwriting and dealing in securities issued by the Central Bank for Cooperatives, reported by Mr. MAYBANK, from the Committee on Banking and Currency, was read twice by its title and ordered to be placed on the calendar.

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 appropriate committees.

(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. BRIDGES (for himself, Mr. AIKEN, Mr. FLANDERS, Mr. TOBEY, Mr. BREWSTER, and Mrs. SMITH of Maine):

S. 2075. A bill granting the consent and approval of Congress to an interstate compact relating to the joint construction and operation of public welfare institutions; to the Committee on Labor and Public Welfare.

By Mr. JOHNSTON of South Carolina:

S. 2076. A bill to provide for the appointment of apprentices in the Government service through competitive examination;

S. 2077 (by request). A bill to provide for certain investigations by the Civil Service Commission in lieu of the Federal Bureau of Investigation, and for other purposes; and

S. 2078 (by request). A bill to authorize the establishment of postal stations and branch post offices at military, naval, and Coast Guard camps, posts, or stations and at defense or other strategic installations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GREEN:

S. 2079. A bill to authorize the contribution of \$12,000,000 to the United Nations International Children's Emergency Fund; ordered to be placed on the calendar.

(See the remarks of Mr. GREEN when he reported the above bill, which appear under a separate heading.)

By Mr. JOHNSON of Colorado:

S. 2080. A bill for the relief of Inooka Kazumi; to the Committee on the Judiciary.

S. 2081. A bill for the relief of Maj. Matthew J. Redlinger, Jr., United States Army, retired; to the Committee on Armed Services.

By Mr. NIXON:

S. 2082. A bill for the relief of Ludwig, Isabel and Milly Model; to the Committee on the Judiciary.

By Mr. FULBRIGHT:

S. 2083. A bill to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine; to the Committee on Armed Services.

By Mr. WELKER:

S. 2084. A bill for the relief of Mathilde Kohar Halebian; to the Committee on the Judiciary.

By Mr. MAYBANK:

S. 2085. A bill to further amend section 5136 of the Revised Statutes, as amended, with respect to underwriting and dealing in securities issued by the Central Bank of Cooperatives; ordered to be placed on the calendar.

(See the remarks of Mr. MAYBANK when he reported the above bill, which appear under a separate heading.)

MUTUAL SECURITY ACT OF 1951—AMENDMENTS

Mr. GREEN (for himself, Mr. McMAHON, Mr. FULBRIGHT, and Mr. SPARKMAN) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, which were ordered to lie on the table and to be printed.

Mr. LONG submitted an amendment intended to be proposed by him to House bill 5113, supra, which was ordered to lie on the table and to be printed.

Mr. CASE submitted an amendment intended to be proposed by him to House bill 5113, supra, which was ordered to lie on the table and to be printed.

Mr. SMITH of New Jersey (for himself, Mr. DOUGLAS, Mr. TAFT, and Mr. KEFAUVER) submitted amendments intended to be proposed by them, jointly, to the committee amendment to House bill 5113, supra, which were ordered to lie on the table and to be printed.

Mr. SMATHERS submitted an amendment intended to be proposed by him to House bill 5113, supra, which was ordered to lie on the table and to be printed.

Mr. BENTON submitted amendments intended to be proposed by him to House bill 5113, supra, which were ordered to lie on the table and to be printed.

Mr. TAFT submitted amendments intended to be proposed by him to House bill 5113, supra, which were ordered to lie on the table and to be printed.

Mr. DIRKSEN submitted an amendment intended to be proposed by him to House bill 5113, supra, which was ordered to lie on the table and to be printed.

Mr. DIRKSEN (for himself, Mr. BYRD, Mr. MCCLELLAN, Mr. WELKER, Mr. WHERRY, Mr. MALONE, Mr. CASE, Mr. MUNDT, Mr. WILLIAMS, Mr. SCHOEPPPEL, Mr. TAFT, Mr. DWORSHAK, Mr. BUTLER of Maryland, Mr. WATKINS, Mr. BRICKER, and Mr. KEM) submitted an amendment intended to be proposed by them, jointly, to House bill 5113, supra, which was ordered to lie on the table and to be printed.

Mr. MOODY (for himself and Mr. McMAHON) submitted an amendment intended to be proposed by them, jointly, to House bill 5113, supra, which was ordered to lie on the table and to be printed.

Mr. ELLENDER submitted amendments intended to be proposed by him to House bill 5113, supra, which were ordered to lie on the table and to be printed.

MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951—PRINTING OF BILL WITH SENATE AMENDMENTS NUMBERED

Mr. HAYDEN. Mr. President, I ask unanimous consent that the bill (H. R. 4550) to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes, as passed by the Senate, be printed, with the Senate amendments numbered. Otherwise there could not be a print of the bill until the House reconvenes. A number of Senators desire to have copies of the bill as passed by the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ADDRESSES EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. LEHMAN:

Statement by him on the Niagara power project, made by him before the Senate Public Works Committee on August 21, 1951.

By Mr. WILEY:

Statement prepared by him, editorial comment, and letter with respect to continuing the anticrime crusade.

Memorandum by the American Zionist Council and communication regarding appropriations for the Near East.

Telegram from Msgr. Edward E. Sawstrom, director of war relief services, National Catholic Welfare Conference, regarding future international manpower action.

By Mr. BRIDGES:

Condensation of booklet entitled "At the Crossroads of Destiny," by Francis H. Buffum, of Concord, N. H.

By Mr. BUTLER of Maryland:

Editorial entitled "Freedom Unadulterated," reprinted from the Akron Beacon-Journal, commenting on address delivered by Senator BRICKER on the denunciation by the United Nations Economic and Social Council of a proposed covenant on freedom of information.

By Mr. BRICKER:

Editorial entitled "This Press Freedom," published in the Columbus (Ohio) Evening Dispatch of August 28, 1951, referring to United Nations Commission on Freedom of the Press.

By Mr. JOHNSON of Colorado:

Editorial entitled "America's Pattern Could Make Real UN," written by A. D. Quaintance and published in the Denver Post.

By Mr. MARTIN:

Editorial entitled "Yalta Agreement was Great Tragedy," published in the Washington (Pa.) Observer.

Editorial entitled "How Not To Prepare," published in the Bridgeport Post of August 28, 1951, relating to the President's dispersal-of-industry policy.

By Mr. AIKEN:

Editorial entitled "The Morgan Horse Farm," published in the Washington Star of August 30, 1951.

ANNIVERSARY OF INVASION OF POLAND BY GERMANY

Mr. FREAR. Mr. President, Saturday of this week, September 1, will mark the

twelfth anniversary of the savage attack on the people of Poland by the German armies of Adolf Hitler.

As we all know, it was this act of aggression which precipitated the terrible holocaust of World War II, from which Europe and other nations are still struggling to recover.

The first victims of the Nazi legions were the brave people of Poland, who, despite the overwhelming odds against them, fiercely resisted the invaders in a manner that won the admiration of all the free world.

Tragically, however, the red army of Russia, our supposed ally, entered Poland from the east some 17 days after the German attack and occupied half of Poland's territory. The Soviet invasion wrecked Polish defense plans and prevented prolonged resistance against the Nazis.

Since that time, the fate of the liberty-loving Polish people has been tragic and horrible. The defeat of Germany insured the complete control of Poland by the Soviet Union. Now Poland is ruled by the iron hand of the Kremlin. Her government is operated from Moscow. Citizens who differ with the Communist line are jailed or deported.

The people of Poland cherish their freedom and independence no less than ourselves. Therefore, Mr. President, may I take this occasion to express the hope that the time is not far distant when Poland will emerge once again from the shackles of despotism which the Communist masters have thrown around her.

The United States can view with pride the accomplishments of many of its citizens of Polish origin. They are a strong and integral part of our democratic Union.

I urge the people of Poland and Polish American citizens of our own land to hold high the objectives of a free and independent Polish nation. The oppression and tyranny which Poland has borne so long will and must be ended. Let us join together in the hope that it will be soon.

UNITED NATIONS COVENANT ON CIVIL AND POLITICAL RIGHTS

Mr. BRICKER. Mr. President, I noted in the Washington Post this morning an Associated Press dispatch from Geneva dated August 29 to the following effect:

UNITED STATES MAKES ITS POINT IN COVENANT DEBATE

GENEVA, August 29.—The United States delegation scored a triumph today in its campaign to have the United Nations write a human-rights covenant listing civil and political rights.

The UN Economic and Social Council adopted an American-backed resolution requesting the General Assembly in Paris, November 6, to reconsider its decision directing that the proposed covenant include economic, social, and cultural rights as well as those of the civil and political field.

Mr. President, a few more "victories" like the one described in this article and the Constitution will be lost.

The United Nations is obsessed by a dangerous ambition. That ambition is to define and enforce the rights and duties, both economic and political, of every human being in the world. The

means for achieving this ambition may be found in some of the global treaties now being prepared by the UN and its subsidiary agencies.

Many Americans feel that the United Nations can play an important role in maintaining international peace and security in accordance with the terms of its Charter. However, no patriotic American will be able to support the United Nations if it continues to threaten national sovereignty by claiming jurisdiction over fundamental human rights. Those who encourage the UN's treaty-making ambitions are the UN's worst enemies.

REPORT OF SUBCOMMITTEE OF THE COMMITTEE ON FOREIGN RELATIONS, ON ITS TRIP TO EUROPE—LETTER FROM GENERAL OF THE ARMY DWIGHT D. EISENHOWER

Mr. GREEN. Mr. President, the subcommittee of the Senate Foreign Relations Committee which was recently sent to Europe and was there a fortnight, was sent to ascertain whether the provisions of the pending foreign aid bill were justifiable or not. The subcommittee has made a report, of which a copy has been sent to each Senator. In that connection, I should like to read a letter which came to me this morning:

SUPREME HEADQUARTERS,
ALLIED POWERS, EUROPE,
August 27, 1951.

HON. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: Having read the report of your subcommittee, I consider it eminently fair and judicious throughout. Moreover, its concise and profound content reflects the directness and discernment with which you and your colleagues examined the various and complex problems of European defense. I do not see how you could have conducted a more searching inquiry within such a limited period of time.

I appreciate your very kind letter on behalf of the subcommittee. Let me assure you that it was a pleasure to have you with us and a source of deep satisfaction to me and to my associates that your group could take the time for a first-hand look at our labors here.

With appreciation and warm personal regard.

Sincerely,

DWIGHT D. EISENHOWER.

I hope this commendation of our report may induce Senators who have not read it to do so.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. McFARLAND. 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:

Butler, Md.	Gillette	Langer
Carlson	Hendrickson	Lehman
Clements	Hayden	Maybank
Cordon	Ives	McFarland
Dworshak	Johnston, S. C.	McKellar
Ellender	Knowland	McMahon

Murray
Neely
Pastore

Saltonstall
Schoeppel
Thye

Underwood
Welker
Young

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate.

The Senator from Texas [Mr. JOHN-SON] is absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONROE] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of absent Senators.

The Chief Clerk called the names of absent Senators.

The PRESIDENT pro tempore. A quorum is not present.

Mr. McFARLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. HOLLAND, Mr. HOEY, Mr. McCLELLAN, Mr. ROBERTSON, Mr. DIRKSEN, Mrs. SMITH of Maine, Mr. WILLIAMS, Mr. LONG, Mr. AIKEN, Mr. MARTIN, Mr. FREAR, Mr. BREWSTER, Mr. KILGORE, Mr. BENNETT, Mr. NIXON, Mr. FLANDERS, Mr. BENTON, Mr. DOUGLAS, Mr. BRICKER, Mr. MILLIKIN, Mr. WATKINS, and Mr. KEM entered the Chamber and answered to their names.

Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CAPEHART, Mr. CASE, Mr. CHAVEZ, Mr. CONNALLY, Mr. DUFF, Mr. EASTLAND, Mr. ECTON, Mr. FULBRIGHT, Mr. GEORGE, Mr. GREEN, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. HUMPHREY, Mr. HUNT, Mr. JOHNSON of Colorado, Mr. KEFAUVER, Mr. KERR, Mr. MALONE, Mr. MOODY, Mr. MORSE, Mr. MUNDT, Mr. O'CONOR, Mr. O'MAHONEY, Mr. RUSSELL, Mr. SMATHERS, Mr. SMITH of New Jersey, Mr. STENNIS, Mr. TAFT, and Mr. WILEY also entered the Chamber and answered to their names.

The PRESIDENT pro tempore. A quorum is present.

Mr. McFARLAND. Mr. President, I have been making an appeal to Senators to be present and in attendance on the Senate floor. I requested the committees to adjourn their meetings promptly so that we could have a quorum and could proceed with the business of the Senate today without losing a great deal of time. Had that been done, we could have saved thus far 30 minutes; we could have had a quorum present at 10 minutes past 12.

Mr. President, I have made these requests for attendance and to avoid lost time on quorum calls for the benefit of every Senator, in an earnest endeavor to try to conserve the time of each Member individually and the Senate collectively. I think Senators should have been more considerate of their colleagues than to keep a part of the Senate waiting for them, on the floor. On a quorum call a Senator merely has to answer when his name is called. I hope we shall have better cooperation on the part of Members of the Senate.

So far as I personally am concerned, I am perfectly willing to have sessions on Monday and Tuesday of next week if it is necessary to expedite the business of the Senate, and if that is the desire of Senators, we shall do that. I had thought that they might prefer to recess Labor Day and the following day.

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

Mr. McFARLAND. I yield to the Senator from Virginia.

Mr. ROBERTSON. If we sit today and for a reasonable time tonight, and are able to finish the pending bill, will it then be possible for Senators to get a few days off?

Mr. McFARLAND. I announced earlier this week that if we would dispose of the pending bill this week, we would recess on Labor Day and have only a token session on Tuesday.

Mr. ROBERTSON. Does the Senator know of any inherent reason why we could not or should not finish the aid bill today?

Mr. McFARLAND. I know of no reason. I know of no vote which is going to be changed by speeches. I think we could promptly transact the business of the Senate and dispose of the bill, if Senators wanted to do so.

Mr. ROBERTSON. There is but one major issue, so far as the Senator from Virginia knows. It is whether we shall increase the amount of aid provided by the committee or decrease it. That is the issue. By this time every Senator should know how he stands on that issue.

Mr. McFARLAND. I agree with the distinguished Senator from Virginia. The subject of foreign aid has been debated this session in the Senate more extensively than has any other one subject, and if Senators are not familiar with it now, they never will be.

Mr. ROBERTSON. Hearings were held upon it for weeks in the House, and hearings were held on it for weeks by two Senate committees, sitting jointly.

Mr. McFARLAND. That is true; and hearings were held, not only this year but last year as well. I hope the Senate will transact this business with dispatch.

Mr. ROBERTSON. I hope the Senate will respond to the plea made by the distinguished majority leader.

Mr. LANGER. Mr. President, a few days ago I was in the Middle West. Time and time again, when I talked with a businessman or a farmer or a laboring man, he could extemporaneously tell me exactly why he was opposed to certain things which were being done by the Congress and, in some instances, by the President. I have noticed that most of the Senators who have spoken on the pending bill have had prepared speeches. I believe that I can speak as extemporaneously on this subject about as well as the average farmer or laborer or businessman in the Middle West who is seemingly quite familiar with the situation.

First of all, Mr. President, I learned, in discussing the pending bill, that it had been discussed in the newspapers, although all the details were not given. I learned that the average person had little conception of exactly what the mutual-aid program, amounting, roughly, to \$8,500,000,000, would mean to the average community. When I told them, some refused to believe it. Therefore, upon my return, I went to the Library of Congress and requested the preparation of a statement showing the exact amount of foreign aid which has been given to foreign countries, and showing also exactly what it is going to cost the people in some of the counties in our States. The statement was prepared and given to me.

I want to say—and I say it without fear of successful contradiction—that some of the Senators who are sitting here should understand that, when the people of the United States realize the terrific tax burden which it is proposed to place upon those who reside in the various cities and counties, the voters in those cities and counties, in my opinion, are going to make it awfully tough—and in my opinion they ought to make it tough—for some of the Senators, when they come up for reelection.

Mr. President, yesterday I listened to the remarks of the distinguished Senator from Connecticut [Mr. BENTON], in which he said that in Western Europe the people objected—"objected," he said—to what the Congress of the United States was doing. They did not like the way the Congress of the United States was acting. Well, Mr. President, we did not hear very many complaints of that kind a short time ago, when their emissaries came to the United States, and were around here, hat in hand, begging this same Congress for money.

Mr. President, the Democratic Party came into power in 1933. The amount of the public debt at that time was practically nil, compared to what it is today. I suggest that the Democrats, my friends on the other side of the aisle, read the Democratic platform upon which the Democratic candidates ran in 1932. They said they represented the underprivileged, the poor, and they were going to do a great deal for them. We may read one paragraph after another of the Democratic platform, and we will find that the only promise kept was to put the saloons back into business, although

it was promised during the campaign that we should never again have the "brass rail."

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

Mr. LANGER. I yield.

Mr. CHAVEZ. As I recall, one of the promises was that bank accounts would be protected. In North Dakota, suppose a girl who taught school had a thousand dollars in the savings bank? Was not that protected?

Mr. LANGER. Has the Senator finished his question?

Mr. CHAVEZ. Yes.

Mr. LANGER. I want to answer my friend with respect to the guaranty of bank deposits. When the bill came up for consideration, President Roosevelt wrote a letter in opposition to it. The bill was put through by the late Senator Arthur Vandenberg. It was drawn up before Herbert Hoover went out of office. As I have stated, Franklin Roosevelt wrote a letter in opposition to it. That is the record. It was put over by Republican votes, I may say to my distinguished friend from New Mexico, with the Democrats doing all they possibly could to defeat it.

Have I answered my friend on the question of the guarantee of bank deposits?

Mr. CHAVEZ. No.

Mr. LANGER. That is the record. I am sorry it does not satisfy the Senator.

Mr. CHAVEZ. Since 1930 there has not been a Republican majority in the Congress up to the Eightieth Congress. Let me tell my friend from North Dakota that I was elected on the Democratic ticket by Republican votes.

Mr. LANGER. Republicans do make mistakes sometimes.

Mr. CHAVEZ. No; the Republicans in my State know whom to trust. Let me ask the distinguished Senator from North Dakota if he can tell me what progressive laws which are now on the statute books and which were passed by a Democratic Congress he would now repeal.

Mr. LANGER. I referred to the Democratic platform of 1932. I repeat, one can get the platform and go through it from one end to the other and find not one single promise made in 1932 which was kept except the one dealing with liquor. I am not speaking now about 1936 or about 1940. I shall take them up at a later time. I am talking about the platform of 1932, when the Democrats were going to cut expenses, when they said that we had far, far too many boards, bureaus, and commissions, and that the Democrats were going to reduce them.

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

Mr. LANGER. I yield.

Mr. CHAVEZ. Mr. Roosevelt came into office of the 4th of March 1933. One of the 1932 campaign promises was to reduce expenses.

Mr. LANGER. Yes.

Mr. CHAVEZ. Does the Senator from North Dakota know that the salaries of Senators, Representatives, and every Government employee were cut 15 percent in that very year?

Mr. LANGER. Yes; I am fully familiar with it. But I can name Republican States in which expenses were cut more than that. They were cut 20 percent in North Dakota.

Mr. CHAVEZ. But there are 47 other States besides North Dakota. I am very proud of North Dakota, and I am very proud of the representation from North Dakota. I am glad we have such a progressive citizen as is the distinguished Senator from North Dakota; but he does not represent the Republican Party or the Democratic Party of the whole country.

Mr. LANGER. I may say to my distinguished friend that, as a matter of fact, Mr. Roosevelt did not reduce expenses. He increased them and increased them, and reduced even the little amount the soldiers of World War I were getting so that the veterans did not even have enough on which to live.

Mr. CHAVEZ. I should like to emphasize the fact that I believe in the three branches of Government, and the Senator from North Dakota knows that so far as the senior Senator from New Mexico is concerned, he does not sneeze every time someone in the executive department takes snuff. On many occasions I do not agree with individual Senators, but so far as representing the people of the country is concerned, the Democrats in the Senate have done the right thing.

Mr. LANGER. I am glad my Democratic friend thinks so. There is no harm in thinking it, anyway.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. JOHNSTON of South Carolina. I am a little bit surprised to hear the Senator from North Dakota criticizing the Democratic Party. It has many times occurred on this side of the aisle that when we needed some votes from across the aisle we could depend on the senior Senator from North Dakota; so much so that there has been a question in my mind as to just what party he belongs to. I am a little doubtful, and I think every other Senator holds the same opinion, that he votes with us as much as he votes with the Republicans. When he is right he votes with the Democrats, and when he is wrong he votes with the Republicans. Of course, I am from the deep South. That being true, I am a rock-ribbed Democrat, and always have been.

Judging from the speech the Senator from North Dakota is making, he will probably be a candidate for reelection in North Dakota. The Democrats are hoping that he will be again elected. There is very little chance of electing a Democrat in North Dakota, and we do not think the Senator can be defeated by a man who will probably be labeled as a Republican. God bless the Senator from North Dakota and let him go forward and continue to help us from his side of the aisle.

Mr. LANGER. Mr. President, I may say to my distinguished friend that he will look in vain to find one single vote ever cast by the senior Senator from North Dakota in favor of the foreign policies of President Roosevelt or President Truman. Aside from UNRRA, in con-

nection with which we appropriated \$2,000,000,000 to feed the hungry and clothe the naked, it will not be possible to find one vote which I cast in support of the foreign policy of the Democratic Party, in all the 11 years I have been a Member of the Senate.

Mr. JOHNSTON of South Carolina. Mr. President, when it comes to the foreign policy and aid to foreign countries, I think I have voted along with the Senator from North Dakota.

Mr. LANGER. Then the Senator voted Republican half the time.

Mr. JOHNSTON of South Carolina. The Senator talks about the whole Democratic platform and the whole Republican platform, and tells us what should be done and what should not be done. The Senator knows what a platform is for—

Mr. LANGER. I know what Republican platforms are for; I do not know about Democratic platforms.

Mr. JOHNSTON of South Carolina. It is something on which to ride into office, and have we not been successful? How many Presidents have the Republicans elected on their platforms in the past 20 years? We at least have been successful in getting into office. I can say that we have done something for the laboring people of the Nation during the past 20 years, and the Senator from North Dakota has been of great help in doing something for the farmers and for the working people.

Mr. LANGER. With reference to this "laboring people" stuff he is talking about, I may say to my distinguished friend that today the laboring people are worse off than they were in 1932 when Mr. Roosevelt was first elected President of the United States.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. Just a moment. I will prove it to the Senator from South Carolina; not, however, by what the senior Senator from North Dakota says. The Senator from South Carolina need not take my word for it at all. I will prove it by the statement put out by the Public Affairs Institute, of which there are 33 members, everyone of whom is a Democrat, and the national executive secretary of which is Dewey Anderson. What does its last report say? It says that today, after the Democrats had elected a Democrat in 1932 who said he was going to help the underprivileged and the poor, and who said in 1936 again and again and again that he was going to help the underprivileged and the poor, and who in 1940 and 1944 repeated the same words, more than 11,000,000 families in the United States have today an income of less than \$2,000 a year. The Senator knows what the dollar is worth today in comparison to what it was worth in the times when the Republicans were in charge of the Government. Then we had an honest dollar. Today a dollar is worth perhaps 39 cents.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I am glad to yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I am very thankful to the Senator from

North Dakota for bringing up the subject of what the conditions were in 1931 and 1932. I do not want to go back to those years. I am satisfied the Senator from North Dakota does not want to go back to 1932. I remember practicing law in the city of Spartanburg in 1932. Time after time in that year a man or woman would come into my office and say, "Olin, please give me 10 cents to buy a sandwich." Sometimes a man would come in and say to me "Give me 25 or 30 cents in order that I may buy a little flour so my children may have something to eat."

Mr. LANGER. That is correct.

Mr. JOHNSTON of South Carolina. That was the condition in 1931 and in 1932.

Mr. CHAVEZ. Mr. President—

Mr. JOHNSTON of South Carolina. The Senator will have to acknowledge that when the Democratic Party took over in March 1933 something was done to change that condition. Since then the national income has been increasing. The national income in 1932, under the Republicans, was only \$35,000,000,000 a year. What is the national income at the present time? Today the national income is \$230,000,000,000. Think of that. Think of what an increase there has been in the national income since 1932. Men worked in the mills in South Carolina for \$8 a week in 1932. Today such workers are drawing \$50 and \$60 a week. That is the difference between the conditions in 1932 and the conditions in 1951. I am glad the Senator from North Dakota mentioned the conditions existing under the Republican administration at the time when the Democrats came into office.

Mr. LANGER. Mr. President, I did not interrupt the political speech of my distinguished friend because I wanted him to make it, for that is the kind of stuff we have heard in this country, and we never had a Republican, so far as I know, who knew the exact answer. But the senior Senator from North Dakota can answer each and every word of what my friend from South Carolina has said. Go back, if you will, to the days before Woodrow Wilson. Was labor ever in a better condition than in those days? Labor then received the highest wages it ever had received in this country. Was the common man ever in better shape than he was in those days? Then, unfortunately, very, very unfortunately, the Republican Party split between Theodore Roosevelt and William Howard Taft, and a Democrat was elected. What was the first thing Woodrow Wilson did after he was elected—and he did not do a very good job of that, because even William Jennings Bryan resigned as a result of what Woodrow Wilson did. Woodrow Wilson got us into World War I. That is the record of the Democratic Party.

Mr. CHAVEZ. Mr. President—

Mr. LANGER. Mr. President, I decline to yield until I answer my distinguished friend the Senator from South Carolina. Woodrow Wilson, the Senator from South Carolina was talking about a few minutes ago, got us into World War I. Yes, he got us into World War I. My friend from South Carolina,

will be interested to know what that cost this Government in addition to the hundreds of thousands of casualties in that war. In the succeeding years Democratic Senators rose one after another in the Senate and said we had no business being in that war. William Jennings Bryan, a Democrat, resigned his office as Secretary of State because he said we had no business in that war. He was a different kind of man from the Secretary of State we now have in office. William Jennings Bryan, the man who had been the Democratic Party's standard bearer three times as candidate on the Democratic ticket for President of the United States, resigned his position as Secretary of State because Woodrow Wilson was getting us into that war. I am only quoting what Democratic Senators said on the Senate floor—"We had no business in World War I."

Now let us see what has happened since the Democrats got into power. Let us see what has occurred since 1932. What has become of the money the Democrats have given foreign countries? And now the Democrats want to give foreign countries eight and one-half billion dollars more.

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

Mr. LANGER. I decline to yield, Mr. President. I am answering the Senator from South Carolina.

Mr. CHAVEZ. Will the Senator be so kind as to yield—

Mr. LANGER. I decline, because I am answering my distinguished friend from South Carolina.

The Democrats came into office with a Treasury which was in fine shape. When the Democrats came into office this was a country of happy people. Woodrow Wilson came into office, and while in office he did such a horrible job that when Republican Presidents succeeded him, they said, "We know that a depression is coming. We know that Woodrow Wilson has wrecked this country. We are going to do what we can to save it."

The conditions the Senator from South Carolina spoke about in his State of South Carolina were due first, last, and all the time, as the records bear out by any reliable economist, to the fact that Woodrow Wilson, a Democratic President, plunged this country unnecessarily into war.

Mr. CHAVEZ. Mr. President—

Mr. LANGER. Mr. President, I decline to yield until I get through answering my friend from South Carolina. We only reaped what the Democratic President Woodrow Wilson had sown. That can be found by looking up the record as set forth in the reports by the Brookings Institution and by other institutes. From those reports it will be found that the depression was due to what Woodrow Wilson did while in office as a Democratic President.

Mr. President, now we find that the same pattern that was set up after World War I is being followed. After World War I the royal house of England came to the United States and was royally entertained. If we pick up the newspaper now we find that in a few days the royal house of England is com-

ing over again. I expect to hear that my distinguished friend from South Carolina, wearing a silk hat, and all the other appurtenances, will go to the garden party in honor of the royal house of England.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I have not yet answered the Senator from South Carolina. I decline to yield until I have answered him.

Mr. JOHNSTON of South Carolina. Will the Senator yield to me immediately thereafter?

Mr. LANGER. When I finish, I will gladly yield to the Senator.

Mr. JOHNSTON of South Carolina. I should like to explain some things about Woodrow Wilson—and Hoover, too.

Mr. LANGER. Williams Gibbs McAdoo was the son-in-law of President Wilson, a man who during World War I had more dictatorial powers than any other man had ever had before in all the history of America. He ran the Treasury. He ran the banks. He ran the railroads. Wherever one turned, he saw the name William Gibbs McAdoo.

What did he do after the war? Just what the very bill which we are considering today would do. He gave out billions of dollars. Of course, the borrowers were going to pay it back—you bet. England was going to pay it back, and all the other countries were going to pay it back. When they got through, the only country which paid back even the interest was little Finland.

Then when Franklin Delano Roosevelt came into office, what did he do? He canceled all the debts—not the war debts; I am not talking about assisting the other countries during war times—and he gave billions of dollars away after the war was over.

What have the Democrats done since? How much have we given these countries, I ask my distinguished friend from South Carolina?

We have given Austria \$895,119,000. We have given Armenia \$39,942,000. We have given Belgium and Luxemburg \$1,744,000,000.

I wonder if Senators realize how much a billion dollars is. It just about represents the value of every acre of land in South Carolina and every bit of city property on the assessment rolls of South Carolina. Perhaps it is a little more than that. I say to my distinguished friend from South Carolina that the Democrats gave all that money to Belgium and Luxemburg.

How much did we give the British Empire?

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. Wait a minute. We gave the British Empire, since World War I, in loans and gifts, \$44,079,000,000. That is a great deal of money.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. We gave China \$3,446,000,000. I wish I knew exactly what the assessed valuation of property in South Carolina is. I know that there are 13 States in the Union which, up to a short time ago, had an assessed valuation of

less than \$1,000,000,000 each. So we gave away to Great Britain \$44,679,000,000. We gave Great Britain 44 times the value of every acre of land, every horse, every cow, and every sheep, as well as all the bank deposits, in any one of 13 States. But the distinguished Senator from Connecticut rose a couple of days ago and stated that England did not like the way Congress was acting.

How much did we give to Czechoslovakia? We made her nice and fat, and then the Russians took her over.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield until I answer the Senator's question.

The PRESIDING OFFICER. The Senator from North Dakota declines to yield.

Mr. JOHNSTON of South Carolina. I should like to make a statement. The Senator from North Dakota is not answering my question.

Mr. LANGER. We gave Czechoslovakia \$17,348,000. We gave Denmark \$234,792,000. Perhaps the distinguished Senator from South Carolina would like to write these figures down, so that he will not forget them.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. We gave Egypt \$59,700,000. We gave Estonia \$25,903,079. We gave Ethiopia—

Mr. JOHNSTON of South Carolina. Mr. President, may I ask the Senator from what he is reading?

Mr. LANGER. Of course, my distinguished friend would not know what I am reading from, but I am reading from the RECORD.

Mr. JOHNSTON of South Carolina. The CONGRESSIONAL RECORD?

Mr. LANGER. I am reading from the CONGRESSIONAL RECORD. This is a statement which was prepared by Representative VAN ZANDT, the head of the Disabled War Veterans of America. He prepared this statement. The veterans who lost their arms and legs are now asked to pay all this debt, in addition to fighting for their country.

Mr. JOHNSTON of South Carolina. Mr. President, I rise to a point of personal privilege.

Mr. LANGER. I am reading from the CONGRESSIONAL RECORD. In order that my friend have the page, I am reading from the CONGRESSIONAL RECORD, volume 95, part 6, page 7112.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I want my friend to have the page number. It is page 7112.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. Let me finish. I want to answer my distinguished friend.

Mr. JOHNSTON of South Carolina. Mr. President, I rise to a point of personal privilege.

Mr. LANGER. I want to answer my friend, who asked a question. I am answering it. He wanted to know what the Democrats had done since 1933, and I am telling him what they did.

They gave to Ethiopia \$16,447,000. They gave to France and her possessions \$13,371,000,000. They gave to Finland

\$24,600,056. They gave to Greece \$681,000,000. They gave to Hungary \$64,000,000, and got Hungary nice and fat so that the Russians could take it over. They gave to Iceland \$20,000,000. They gave to Israel \$62,000,000. In this bill we are giving them \$40,000,000 more. They gave to Italy \$4,700,000,000. They gave to Iran \$23,100,000. They gave to Iraq \$7,805,000.

I am sure that my distinguished friend, when he pays his income taxes, will be delighted to know that all these people were taken care of. We are going to give them eight and one-half billion more.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I am answering my distinguished friend.

The Democrats gave to Ireland \$142,763,000. Mind you, Ireland was never in the war. She did not lose a single Irishman, but our country had to help the Irish, too. The Democrats gave to Ireland \$142,763,000.

They gave to Japan \$1,891,000,000. They gave to Korea \$89,469,000. These are the figures only up to June 1, 1949. We have given a great deal more since. I will have those figures for the distinguished Senator from South Carolina in just a moment.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. They gave to Korea \$89,469,000. They gave to Latvia \$10,713,000. They gave to Liberia \$14,829,000. They gave to the Netherlands and her possessions \$979,000,000. The Queen of the Netherlands owns a great hotel in the city of Washington, with some 5,000 rooms. Perhaps my distinguished friend is paying rent there. I do not know whether he is or not. Up until a few days ago, at least, that hotel was owned by the Queen of the Netherlands. They gave the Netherlands \$979,000,000. They gave Norway \$345,000,000. They gave the Philippine Islands \$708,000,000. They gave to Poland—oh, they fixed up Poland in great shape so that Russia could make a good satellite out of it—\$873,600,000. Portugal was not even in the war, but they gave Portugal \$11,647,000. Rumania is one of the satellite countries. It got \$79,435,000. Russia got \$12,793,400,000. Russia was recognized by the Democrats, after the Republicans would not recognize that country. Herbert Hoover refused week after week, month after month, and year after year. The Democrats promptly recognized Russia. Before they got through they had given Russia \$12,793,400,000. I do not suppose it included the four or five hundred ships we gave to Russia, which we have been trying to get back ever since the war has ended.

Then there is a country called Saudi Arabia. Perhaps my distinguished friend from South Carolina does not exactly know where Saudi Arabia is. I assure him there is such a country, because we gave Saudi Arabia \$46,200,000. Sweden was not in the war with us, but we gave Sweden \$104,100,000. Trieste got \$35,200,000. Turkey did not lose a single man in the war, but the Democrats gave Turkey \$305,409,000.

A few moments ago my distinguished friend from New Mexico [Mr. CHAVEZ] said that the Democrats had been in control of every Congress except the Eightieth. During the Eightieth Congress we had a Democratic President. Therefore, the Democrats are entitled to all the credit. I certainly do not wish to take any credit from them.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I am trying to answer my distinguished friend from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I do not believe the Senator from North Dakota is answering me. I believe he realizes how I voted on the questions he has mentioned.

Mr. LANGER. I am answering my distinguished friend.

Mr. JOHNSTON of South Carolina. The Senator from North Dakota is not answering me.

Mr. LANGER. The Senator from South Carolina wanted to know what the Democrats did, and I am telling him. I am reading from the RECORD. We are all interested in the RECORD.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I decline to yield. Then there is a country called Yugoslavia. A person picking up a newspaper now and reading about our giving some money to Yugoslavia would be led to believe that this was the first time we have given any money to Yugoslavia. What is the Democratic record on Yugoslavia? At the very time when the Communists were taking control and were throwing out all people who were sympathetic to the United States, they received the sum of \$117,200,000.

Then the Democrats looked around for some more countries to whom to give money. They found that they had missed the South American countries. So they took care of South America. They gave South American countries \$1,651,392,000.

That makes a grand total, up to June 1, 1949, of \$92,169,478,135. Does anyone now want to know where our national debt comes from under the Democratic administration? That is the amount of money they gave away. It does not begin to include the money that they gave away since that time. They have certainly given away a great deal more since then.

Mr. President, we are naturally interested in knowing exactly how this affected the people of this country. If I had known that my distinguished friend from South Carolina was going to interrogate me I would have had figures for his State.

However, I am interested in North Dakota. I know the people of North Dakota and they know me. They have confidence in me. They know that I keep them advised as to what is going on in this Senate. Many months ago I went to the Library of Congress and had prepared a table showing exactly what has been given away in the give-away program of the Democrats, and how the give-away has affected the people of North Dakota.

We have in North Dakota a small county called Adams County.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I am answering my friend the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I am trying to help the distinguished Senator from North Dakota in his campaign.

Mr. LANGER. Thank you so much. I appreciate your help. We have a county in North Dakota known as Adams County. There are only 4,094 people in the county of Adams, so there are, roughly, only a thousand families in the whole county. Does the Senator know what their share of the money sent to these countries was up to June 1, 1949? It was \$1,455,821.

I had the same calculations made of the new give-away program, which the Democrats have conjured up to give away \$8,500,000,000 more. Do Senators know how much it will cost the people of Adams County, N. Dak.? It will cost them \$1,817,545 more.

My distinguished friend from South Carolina has a pretty good record. I think a fine record on most of the foreign-policy votes. He has not gone along in voting with the Democrats on the give-away program. When we were voting to give \$3,750,000,000 to England, it was called a loan, whereas everyone knew that it would never be paid back. I offered some amendments to the bill, and, as I recall, my distinguished friend from South Carolina supported the amendments. Only 11 Senators supported me. Instead of giving the \$3,750,000,000 to England, I moved that we give every veteran of World War II a \$10,000 home free of charge, as a gift. It would not have cost as much as the money we gave to Great Britain in that one Democratic year.

Mr. President, I got exactly 11 votes. After that amendment was defeated I offered another amendment, to use some of this money in doubling the salaries of school teachers and some of it to build schoolhouses. We got only 11 votes for that amendment. I believe my distinguished friend from South Carolina voted in favor of the amendment.

When that amendment was defeated I offered another amendment, to use the money to have urinalysis tests made of every man, woman, and child in the country, so that we could find out the condition of the health of our people, the tests to be made by the family doctor. As I said on that occasion, one little test would cost only 2 or 3 cents, and it would not even take a nurse to make the test. Such a little test would show the existence or nonexistence of three diseases. By spending \$2.50 on each test we could detect the presence or absence of 22 diseases, according to the Rockefeller Foundation. Apparently one Senator who had voted with us on the first amendment thought the second was a foolish proposal. We got only 10 votes for that amendment.

Then I offered another amendment, to build three four-lane highways north and south, and three four-lane highways east and west, and also to use some of

the money to build farm-to-market roads. Apparently the Senator who would not vote with us on the urinalysis tests changed his mind, and we had 11 Senators again who voted for that amendment.

So we gave \$3,750,000,000 to Great Britain.

A day or so ago we heard the distinguished Senator from Connecticut read an article from the New York Times, an Associated Press dispatch to the effect that the people of England, or the people of the west, as they are called, did not like the way the Congress of the United States was acting.

As I said a moment ago, I am sure my distinguished friend, the Senator from South Carolina [Mr. JOHNSTON], will be interested to know the amount of money that the counties and cities in North Dakota, as well as those in South Carolina, would have to pay for foreign aid. I have been in South Carolina, and in that State there are many cities of 5,000 people. Does the Senator know how much a city in South Carolina with a population of 5,000 persons now has to pay for the foreign aid we already have provided, entirely aside from that provided in the pending bill? They have to pay \$1,840,033. That amount of money must be paid by a little city of 5,000 persons, and that amount of money does not include the interest.

Does the Senator know how much they will have to pay if the pending bill is enacted into law? They will have to pay more than twice as much.

I obtained this information yesterday from the Library of Congress. I say to my distinguished friend, the Senator from South Carolina, let us consider, for example, a county such as Eddy County, N. Dak., with a population of 5,361, or roughly 5,000 persons. Under the so-called Marshall plan and loans and gifts, without the amount provided by the pending bill, their share of that debt was \$1,511,909. If the pending bill is enacted into law, they will have to pay an additional amount of \$1,992,201, making a total of approximately \$3,400,000—all to be paid by a little county of 5,000 persons.

Mr. President, I would not vote for this bill. The advocates of the bill tell us, "If you do not vote for the bill, the country may be bombed." They spread the doctrine of fear, trying to scare everyone. Mr. President, it is the same as if I went to the distinguished Senator from South Carolina and said to him, "If you do not give me all that you have, so that we can get a cure for cancer, you are going to die of cancer." Or, if I were soliciting funds for tuberculosis, it is the same as if I went to the Senator from South Carolina and said to him, "If you do not give me all that you have, so that we can find a cure for tuberculosis, you are going to die of tuberculosis."

Is it not strange that after World War II ended, at the time when we were the strongest country on the face of the earth, one Democratic Senator after another rose on the floor of the Senate and said, "We are first in sea power, first in manpower, and by far the strongest in

the air," and then they decided to have a conference in San Francisco, just as so many Senators now are going to attend another conference in San Francisco next week.

So they were going to have a conference in San Francisco. Mind you, Mr. President, that conference was said to be a conference to end all wars. All that our boys fought for in World War II was to have been provided for in the charter framed at San Francisco. I thought that when our boys went to that war they went to it to fight for the Atlantic Charter. Whom did the President send to San Francisco, Mr. President? He did not send one veteran who had lost an arm or a leg in that war. Among all the delegates there, only one had served at all in the war, and that was Mr. Stassen, who had served as an aide to an admiral in the Navy.

When that conference was concluded, what was the result? There was brought to us here a document called the United Nations Charter. England and some of the other foreign countries had the best organized propaganda machine which ever existed in all history. One of the daily newspapers in this very city stated that it would dedicate itself to the defeat of any Senator who voted against the United Nations Charter. That did not bother the Senator from North Dakota, Mr. President; I voted against the United Nations Charter, anyway, because it was no good.

So we got the United Nations, and today we find great activity in chasing Communists.

Mr. President, what did we find only a few months ago? The greatest Communist of them all, Jacob Malik, went to New York to the U. N. and as Russia's spokesman talked for days on the television, where he could talk to 20,000,000 people at one time, and he told the people of the United States about all the "glories" of communism. So I say that the men who voted for the United Nations Charter set up the greatest propaganda machine for Russia which they could possibly have set up, because in speaking from the United Nations, as he has done, Jacob Malik is immune to prosecution for the things he says. He can say anything on the radio or the television there and can talk to 20,000,000 of the people of this country at one time, while the United States pays 78 percent of all the costs of setting up that propaganda machine for Russia in the U. N. None of the delegates there and no part of the force they have there can even be arrested. In fact, they get their automobile licenses free of charge, while the veteran who fought for his country in World War II has to pay for his automobile license.

Now there is another arrangement by which the delegates to the United Nations have their mail handled for nothing, whereas any American citizen has to pay 3 cents to send a letter in the United States.

Mr. President, may I have order?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The Senate will be in order.

Mr. LANGER. Mr. President, those of us who do not like communism—and I

think that is true of every Senator on this floor—should do more about it.

Mr. President, I have before me the full record of what the pending bill, if enacted into law, will cost the three States of North Dakota, South Dakota, and Minnesota. I think I shall frank this information to those three States, together with the record showing what Senators voted for all of these gifts and loans and grants, because certainly the people are entitled to know who voted for giving away all this money.

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

Mr. LANGER. Mr. President, I decline to yield, because I am still answering my friend, the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Chair has before him a veto by the President of Senate bill 827, a bill for the relief of Fred P. Hines, in the amount of \$778.78. The Chair thought he would call it to the attention of the Senator from North Dakota, because the Chair believes it is a bill of the Senator from North Dakota.

Mr. LANGER. I may say to my distinguished friend from South Carolina, that is a bill which I introduced. It is for \$778 and how many cents?

The PRESIDING OFFICER. Seven hundred and seventy-eight dollars and seventy-eight cents.

Mr. LANGER. In that case the record is—I might as well talk about that as anything else, temporarily—

Mr. DOUGLAS. Mr. President—

Mr. LANGER. I decline to yield at this time. I am still answering my distinguished friend from South Carolina. The bill called for \$778.78, to be paid to a veteran, a man who fought in World War I. He wrote me. He finally went to the Veterans' Hospital, where he was told, "We can do nothing for you. You have cancer. You are soon going to die." He went to the Veterans' Hospital a second time, and he was told, "We can do nothing for you. You have cancer, and you are soon going to die." He finally went to another doctor. That was 20 years ago. He is not dead yet. So he had no cancer. Today, he is 80 years old, and destitute. He is ill and is in a hospital at Minot, N. Dak.

Mr. DOUGLAS. Mr. President, is the Senator from North Dakota filibustering, by any chance?

Mr. LANGER. I decline to yield. I am answering the distinguished Senator from South Carolina.

The result is that some of the veterans in North Dakota wanted to have a bill introduced. They felt it no more than right that this man, Fred P. Hines, who, they said, had suffered a disability, should at least have his hospital expenses paid, in the sum of \$778.78. In the meantime, he had been discharged from the hospital. By a unanimous vote, the Senate Judiciary Committee reported the bill and, by unanimous vote, it was passed by the Senate and, I believe by unanimous vote, it passed the House of Representatives. The President vetoes it. I suppose he must start saving money, if we are to give away \$8,500,000,000. If we do that, it is necessary to start some place, so the start is made

in the case of Mr. Hines, veteran of World War I, in order to save \$778.78. Mr. President, it makes a start.

The Government is collecting from farmers in the Middle West, including the States of Illinois, Louisiana, and New Mexico. Government agencies are collecting from the farmers the payment of seed loans. During World War I it was said, "We do not have enough wheat, we do not have enough oats, we do not have enough barley, and we do not have flax." In the State of Montana, represented by my distinguished friend, the senior Senator from that State, who now sits before me, thousands and thousands of acres were broken up and seeded in flax because, during World War I, our supplies of flax were shut off. The farmers did not want their land broken up. The scientists said the land would become dust, and would be blown away. But the land was broken up.

Immediately after the war, what happened across the line in Canada? The Canadian Government canceled every seed and feed loan. Within a year after the war had ended each of the loans was canceled. They said, "These people rendered patriotic service during the war." The drought came in our country, and it continued for 8 or 9 or 10 years. All the feed and seed loans made by our farmers draw 6-percent interest. I am sure my distinguished friend from Montana will bear me out. I am satisfied his mail is similar to mine. Every week I receive scores of letters from farmers, telling me that the United States Government is trying to collect the seed and feed loans, loans which draw 6-percent interest; and the amounts now claimed in connection with those loans are in some instances twice as much as the original amounts which were borrowed.

Between North Dakota and Canada and extending across the border we have what is called a Peace Garden. Every year meetings are held in that Peace Garden. The Governors from Saskatchewan and Alberta come down to meet with the Governor of North Dakota. During the time I was Governor, I met with them. There the farmers of Canada meet the farmers of North Dakota. The farmer from Canada would say, "I had my seed loan and my feed loan canceled." The farmer from North Dakota would have to say, "Our Government has not canceled any of the loans. My loans are still drawing interest."

Mr. President, today when a North Dakota farmer dies, leaving \$3,000, \$4,000, or \$5,000, the United States Government takes every single penny, if the debt owing the Government is that much, leaving not one penny for the widow. If anyone doubts that, I can show him scores of letters in my office containing complaints which I have made to the Farm Credit Administration. But that did not deter the Senate when the \$3,750,000,000 British loan bill was under consideration.

If an American soldier returned home, how much did he owe? What was his share of the public debt? It was a trifle over \$5,000. How much did the veteran who returned home in Great Britain owe? He owed \$1,339. The American veterans owed more than three times

as much as did the veteran in Great Britain. That did not deter the Senate. With but a few of us voting against it, the Senate passed a bill making a gift to Great Britain of \$3,750,000,000.

Let us discuss the record further. Let us consult the record of the Democratic Party, and its position regarding our foreign policy. So far as the domestic policy is concerned, there have been a great many things done under it, for which I voted, as my distinguished friend from South Carolina said.

It will be remembered that we have the atomic bomb, and that America first had it alone. If anything was precious, if there was any weapon in the world which should have been safeguarded, it was the atomic bomb. When Winston Churchill came to the United States from England, he made a speech at the Massachusetts Institute of Technology, in which he said there would have been a war a long time ago had it not been for the fact that the United States Government had the atomic bomb.

So, Mr. President, the Democratic Party was charged with keeping the secrets of the atomic bomb inviolate. We spent many millions of dollars in order to protect this country from spies. But we find that a group of spies from Great Britain went to New Mexico and got the very top secrets. Then those secrets were given to Russia. That is the kind of care our public officials took of the atomic bomb. The President says they are today being manufactured in Russia, and they are also manufactured in England. So, if there is a war, and some of our boys are killed by atomic bombs, we must blame those in this administration whom we trusted for doing such a miserable job that the lives of our boys will not be protected.

It is strange, Mr. President, to read the farewell message of George Washington and then realize what has happened to this Government of ours. George Washington wrote that message only approximately 175 years ago—which is only a minute in the life of a nation—warning the people of this country against foreign entanglements and foreign alliances.

I will say this about William Jennings Bryan, Mr. President, that when he was Secretary of State he concluded 52 treaties with other nations. Fifty-two countries made treaties with the Government of the United States. Bryan was following the advice of George Washington.

I wonder, Mr. President, if there is such a thing as the spirit of a man existing after he dies, whether the spirit of Andrew Carnegie is still alive and around us. Andrew Carnegie said he was dedicating his millions of dollars to make the United States again a colony of Great Britain. His biography was taken out of every public library in the United States. I could not even get a copy of it in the Congressional Library. The book has been rewritten, but, fortunately, I was able to get hold of a copy of the original through a friend of mine in New York. Some years ago I put it into the CONGRESSIONAL RECORD. Andrew Carnegie made his millions in the United States and did not even become a citizen of this country, and then dedicated his

millions to making the United States a colony of Great Britain. Sometimes, as I look around, I wonder what is taking place in this country, and whether Mr. Carnegie's servants are not doing a pretty good job.

Again referring to what George Washington said when he left the office of President, let me read a few words from his message:

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence.

He wanted this Nation to be an example to all other nations.

Who can doubt that, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests.

Mr. President, Washington's message is so apropos that I ask unanimous consent that this portion of the Farewell Address be printed in the RECORD.

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

The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal

privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gliding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils. Such an attachment of a small or weak, toward a great and powerful nation, dooms the former to be the satellite of the latter.

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 for 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.

Mr. LANGER. I particularly invite attention to a few lines which I shall now read:

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.

Apparently Washington's advice has not been followed, certainly not since 1932.

Mr. President, instead of giving \$8,500,000,000 to foreign countries, why do we not use that sum of money to clean up slums—not slums three or five or six or seven or eight thousand miles away from home, but slums within two blocks of the Capitol of the United States? I can show Senators places within two blocks of the Capitol where there are no electric lights, where the occupants do not even have kerosene lamps, where they are still using an old black vessel with a wick and tallow in it. Can it be said that 7 percent of the people are going to take care of the other 93 percent? The Democrats are giving away \$8,500,000,000 to foreign countries, when we have in this country 11,000,000 families who are trying to exist on less than \$2,000 a year.

As I have sat in the Senate for the last 11 years and watched one foreign-aid bill after another adopted, my mind has gone back to the radio address heard by nearly all the American people, made before we got into World War II, by Winston Churchill, who, in his

beautiful, melodious voice, said in the middle of the afternoon of one day, "Give us guns. Give us weapons. We do not want your men. We have enough men to win this war. All we want of America is just guns and weapons."

A few weeks later the distinguished senior Senator from Texas rose on the floor of the Senate and offered the Connally resolution, under which we had to have wars on two fronts. I have always been proud of the fact that I voted against that resolution.

Then came the fateful June day when we invaded the Continent. Out of the 116,000 allied casualties, 86,000 were American boys.

Mr. President, I remember that a candidate for the office of Senator in one of my neighboring States said over the radio, "Oh, if I had been in the Senate I never, never, never would have voted for the British loan." He was elected. He came to the Senate and he has since voted for every single bit of foreign aid that has been granted by the Senate.

Mr. President, many of those who run for office, before they are elected, say what they are going to do for the farmer when they get into office, but as soon as they are elected they proceed to forget all about the farmer. I have been proud of the fact that the junior Senator from North Dakota [Mr. YOUNG] and I have kept our pledges to the farmers of our State and the pledges we made to farmers in surrounding States.

After all these years of Democratic rule, during which we have had involvement in the affairs of other countries all over the world, what do we now find? We find ourselves in an undeclared war in Korea. Hardly anyone on the United Nations side is dying in Korea except American boys. One of the nations that joined with us, Bolivia, has sent 30 engineers to Korea.

Sometimes I wonder how men who have been elected to the Senate, and who have disregarded the advice of Washington, who have disregarded the advice of William Jennings Bryan, the man who resigned his office as Secretary of State rather than sanction our involvement in a war with Germany—I wonder how such men feel when they are alone at night with their consciences, when they envision our boys going to their deaths.

How happy the Communists were at the end of World War II. The Democratic administration took Communists, some of whom had worked on the Daily Worker, and who had changed their names, and put them on the payroll of our Government, and sent them over to Germany to conduct the denazification trials. I am not talking about the first denazification trial when Goebbels and Goering and the rest of those fellows were tried. I am talking about the trials, in American courts, of 3,000,000 Germans.

I decline to follow the leadership in foreign affairs of a party that is so dumb as to let the Russians completely surround Berlin and Vienna and Prague, and not even keep a road open so that

we, the Americans, who conquered those places, can go into those cities. The dumbest farmer in any State of the Union, the dumbest businessman, the dumbest laboring man, who buys 40 acres out of a section of land, 640 acres, first of all reserves the right to go in and out of his 40-acre farm. But this great leadership we had was too dumb even to keep a road open into Berlin, into Vienna, or into Prague. So today, if an American citizen wants to go to Berlin he has to bow down to the Russians, and say, "Please, please, please give me a permit so that I can visit Berlin."

At these denazification trials what did Russia do? Russia started them, and at the end of 3 weeks Russia stopped them. She said, "We do not want any denazification trials." The Americans said to every engineer, to every scientist, "You have got to be denazified. Otherwise, you cannot work." A professor could not obtain a job.

What did Russia do? She took all the scientists who had been building the German weapons of war, and invited them to Russia—52,000 of them. They built the submarines which we may have to fight some day. They finished all the weapons which Hitler was building, so that some day they may be used to take the lives of our boys. The United States continued to say, "We must denazify them."

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

Mr. LANGER. I am answering the Senator from South Carolina [Mr. JOHNSTON].

Mr. CASE. I do not wish to interrupt the Senator's answer. However, it is my understanding that Russia had a simple way of handling denazification. She would suggest taking out a card in the Communist Party, saying, "Just take out a card in the Communist Party, and you are denazified and cleared."

Mr. LANGER. Let me say to my distinguished friend that I investigated that very allegation when I was in Germany last year. I found that that was not true. I found that one had to join various fronts. If he did not join the youth movement, he could not obtain an education in Germany under Hitler's rule. Later he had to join the labor front so that he could get a job.

Mr. CASE. I do not dispute that. I think possibly the Senator did not catch the first of what I said. I said that my understanding was that Russia had a very simple way of denazifying people in the Eastern Zone. She said to them, "If you want to be cleared, simply take out a card in the Communist Party, and you will be all right with us." In that way Russia was able to stop the denazification proceedings.

Mr. LANGER. The Senator is correct.

Mr. MORSE. Mr. President, will the Senator yield for a question?

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

Mr. MORSE. Am I correct in my understanding that the Senator from North Dakota stated that the Russians

had invited scientists to come to Russia?

Mr. LANGER. Yes.

Mr. MORSE. Did the Senator discover that when he was in Germany last summer?

Mr. LANGER. I knew it before, and it was corroborated when I was over there. About 52,000 of them went to Russia.

Mr. MORSE. Then the Senator does not share in the point of view that they were not invited into Russia, but taken into Russia?

Mr. LANGER. I do not share in that view at all. As a matter of fact, 12 of those scientists are now in California. They were brought over here by our Government. I discussed the subject with them. They did not want to go to Russia. They were put into a concentration camp, and they said that their colleagues were promptly put on the payroll in Russia.

Mr. MORSE. Does the Senator think, then, that the German scientists are working voluntarily in Russia and are doing what they are doing because of their own desire to do it?

Mr. LANGER. My judgment is that some of them are and some of them are not.

Mr. MORSE. I wonder if the Senator will yield for a further question?

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

Mr. MORSE. I notice the Senator's great interest in veterans, in which interest I share. I wonder if the Senator might be interested in taking up this afternoon House bill 3193, or rather the President's veto of that bill, which I understand is a privileged matter. All the Senator has to do is to move that it be taken up because it is a privileged matter. The Senator would be in order.

Mr. LANGER. I am very glad to yield for that purpose if the Senator will make the motion.

Mr. MORSE. Mr. President, I move that the Senate proceed with the immediate consideration of the President's veto message on House bill 3193, which is the so-called veterans' pension bill.

It seems to me that we ought to proceed at once to dispose of it. I am advised—I think correctly—by the Parliamentarian that such a motion is in order. It is a privileged matter and I think we should dispose of the bill in a few short minutes.

The PRESIDING OFFICER. Does the Senator from North Dakota yield for that purpose?

Mr. LANGER. I yield for that purpose if I do not lose the floor.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that he may yield for the purpose of taking up a privileged matter, without losing his right to the floor. Is there objection?

Mr. HILL. Mr. President, reserving the right to object, may I ask what is the privileged matter?

Mr. MORSE. The privileged matter is the President's veto message on House bill 3193, which is the bill for veterans' pensions which the President of the

United States vetoed some time ago. I think it is a bill which ought to be disposed of immediately. I think it has been too long delayed already. The junior Senator from Oregon would like to be heard at some length on the bill, because I think the President's veto message is unsound from beginning to end. In particular, I think the comment of the President in his veto message to the effect that the bill discriminates against nonveterans, overlooks the fact that the pension to veterans covered by the bill has been granted for some time. If there was any discrimination, the discrimination was created when the pension was first granted. The real issue before the Senate now is whether or not, in the light of present day costs and prices, the pension to those helpless veterans covered by the bill which the Congress approved several years ago is of an adequate amount to take care of those helpless veterans now.

Let me say to my good friend from Alabama that I think the President of the United States overlooks another matter. The argument in the veto message that we should not grant these helpless veterans this increase in pension simply because their disability is the result of non-service-connected disability overlooks a great moral obligation which I think we, the people, owe to all helpless people in this country. We never make a right by extending a further wrong. I think it is a national disgrace that we are not doing a better job than we are doing in taking care of helpless people in this country, both veterans and non-veterans. With this opportunity to take care of helpless veterans, I think there is a clear moral obligation on the Senate to follow the example set by the House, and proceed to override the President's veto this afternoon. I hope the day will come in America and the sooner the better when all helpless people receive a decent pension which will help lighten somewhat the burdens and pains of their existence. I refuse to accept the notion that our great economy cannot provide adequate pension aid to the blind and helplessly crippled who require the constant care of someone to help them get around. Let us never forget that our greatest national wealth is our fellow citizens. Let us never forget that the spiritual teaching that we are our brother's keeper is a tenet of our democratic society as well as of our religious faith.

Let me say further that I think that the attention of the people ought to be called to the fact that we are dealing in this bill with helpless veterans who are beneficiaries under this bill only in case their disability is so great that they need someone to take care of them because they cannot take care of themselves. If they are single, their income per year must not be more than a thousand dollars, including in the calculation social-security benefits. If they are married their total income must be not more than \$2,500 a year.

I wish to say to the Senate this afternoon that when we adopted this pension in the first place we laid down at that

time the principle for these pensions. Where was the voice of the President then? Why did he not veto the bill when it was first passed? Now, because we seek to enlarge the pension, we are faced with this unsupportable veto.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. LANGER] has the floor. He has asked unanimous consent that he be permitted to yield to the Senator from Oregon for the purpose of presenting a privileged motion, without losing his right to the floor.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama [Mr. HILL], under reservation of objection, has been recognized.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. To keep the record straight, I should like to have the Chair review the situation with me.

The junior Senator from Oregon asked the Senator from North Dakota to yield to him for the purpose of making a motion, which request was granted. Then the Senator from Oregon made his motion. Then the colloquy started, and it was at that time that the Senator from North Dakota, as the RECORD will show—and I ask the reporter to read back the RECORD if the Chair questions it—for the first time after the Senator from Oregon had obtained the floor for this purpose, raised a subsequent point in regard to his right to hold the floor.

The PRESIDING OFFICER. The present occupant of the chair will be glad to have the RECORD read. It is the understanding of the present occupant of the chair that when the request was made of the Senator from North Dakota the Senator from North Dakota said that he would yield provided he did not lose his right to the floor, following which the occupant of the chair put the unanimous-consent request.

Mr. MORSE. I say most respectfully to the Chair that if he will have the RECORD read he will find that he is in error. I request that the RECORD be read.

Mr. MCFARLAND. Mr. President, reserving the right to object, I hope that the Senator from Oregon will not push this matter at this time.

Calling up the veto message is a privilege which is accorded the chairman of the committee which handled the bill on which the veto was made. I am told that the distinguished Senator from Georgia [Mr. GEORGE] intends to bring this matter up. However, he is now holding hearings in his committee on the tax bill. There is no disposition to keep the veto message from being brought before the Senate, but we are trying to dispose of an important bill right now. I think it is a courtesy to the chairman of the committee to wait until he is ready to bring up the veto message. I am told that he intends to do so within a reasonable time.

There is no disposition, if the chairman does not bring it up, to keep any

other Senator from doing so. We are trying to expedite the work of the Senate. We are trying to dispose of the pending bill. Some Senators are leaving for San Francisco. I hope the Senator from Oregon will not insist on pressing his motion.

Mr. MORSE. Mr. President, I wish to say two things to my good friend the Senator from Arizona [Mr. McFARLAND]. In the first place, I have no desire to impede the progress of the pending bill. I am perfectly willing, however, to take judicial notice, having been on the Senate since noon, that there is no possibility of taking any action on the pending bill this afternoon. Therefore, we ought to take care of the veterans, instead of, it seems to me, going through maneuvers in the Senate this afternoon which are not going to hasten any vote on the pending bill. We could dispose of the veterans' legislation while conferences are being held as to what the strategy is to be of various forces in the Senate with regard to the pending bill.

In the second place, let me assure the Senator from Arizona that I am not disrespectful to the chairman of the committee or to any other Member of the Senate. However, I respectfully submit that action on this veterans' legislation has already been too long delayed. I believe we had better think of the helpless veterans, and give them the economic relief today which would be provided by the bill. The bill could be passed in 30 minutes. I certainly think we can afford to devote that much time to it.

Mr. McFARLAND. I do not like to differ with my good friend from Oregon, but I wish to say that if any maneuvers have been engaged in with respect to strategy on the pending bill, I do not know of them. The only thing that is keeping us from taking action on the pending bill is speeches on other matters. If we took action on the veterans' bill it would just take that much longer to dispose of the pending bill. I hope we can promptly dispose of the pending bill.

I say to the Senator from Oregon that I shall be very glad to work with him in trying to set a time for bringing up the veto message. If he will not press the issue at this juncture, I assure him that I shall consult the chairman of the Committee on Finance about it. I give the Senator from Oregon my word that I shall work with him and the chairman of the committee in trying to set an early date for bringing up the veto message on the veterans' bill.

Mr. MORSE. Mr. President, I find the Senator from Arizona demonstrating the same cooperative spirit that I have always found him to demonstrate toward the junior Senator from Oregon. I will accept his word. I know I can take his word that he will work with me, and the two of us, with the chairman, in trying to obtain very early consideration of the veterans' bill. The helpless veterans are entitled to action at an early date. I do not believe we can justify further delay.

I am satisfied that if we could get the bill to the Senate floor, we would be able to override the President's veto by an overwhelming vote. I want to say—and I say it most respectfully about the President of the United States—that I believe in the preparation of his veto message he overlooked some very fundamental principles as to the rights of these particular veterans to the pension. I believe we owe it to the veterans to override the veto without further delay.

Mr. President, I withdraw my motion as of now, giving the majority leader the assurance, it being a privileged matter, that if we cannot work out with the chairman a satisfactory arrangement as to an early consideration of the bill, I shall renew my motion.

Mr. McFARLAND. I wish to express my appreciation to the distinguished Senator from Oregon. I assure him we will get along.

The PRESIDING OFFICER. Does the Senator from Oregon still wish to have the RECORD read?

Mr. MORSE. I shall be delighted to withhold the request until tomorrow morning, so that the distinguished occupant of the chair [Mr. GILLETTE] can peruse the RECORD for himself. The Chair will note I made my motion after the Senator from North Dakota yielded and before he subsequently offered a reservation.

The PRESIDING OFFICER. The Chair will be very glad to acquiesce in that procedure. The Senator from North Dakota has the floor.

Mr. LANGER. Before I conclude my remarks, I ask unanimous consent that there may be printed in the RECORD at this point a chart prepared by the Library of Congress, showing exactly what it would mean to every county in North Dakota if this bill for \$8,500,000,000 is passed. It shows the per county cost of the total amount appropriated from July 1, 1945, to June 30, 1951, and the per county cost in North Dakota if the pending bill shall be enacted.

I call attention to the fact that in Cass County in North Dakota, the most thickly populated county in the State, the proportion would be nearly \$38,000,000. Mr. President, I close firm in my belief that the people of this country are overwhelmingly opposed to this bill—to this giving away of \$8,500,000,000. I believe the people feel that this is an outrageous act—that this money is needed here for pensions, for hospitals, for schools, for roads and that when these people wake up to what is being put over on them they will realize that at least the senior Senator from North Dakota tried his best to help them. Mr. President, I am not afraid to do my duty as I see it. I am not afraid of the criticism of those who have profited by the millions of dollars because of the give-away gifts of the Congress. I am not afraid as long as I vote according to my conscience and when the time comes when the Senate clerk calls out the name of WILLIAM LANGER I shall with pride respond with a ringing "No."

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

North Dakota's computed share on per capita basis of cost of foreign aid, 1945-51, and military appropriation bill, 1952

Unit	Population, Apr. 1, 1950	Share on per capita basis in—	
		Postwar aids and grants to foreign countries, utilized and available July 1, 1945, to June 30, 1951	Department of Defense military appropriations bill, fiscal 1952
	(1)	(2)	(3)
North Dakota.....	617,965	\$174,278,489 1403,920,463	\$229,641,974
Adams.....	4,891	1,379,360	1,817,545
Barnes.....	16,222	4,574,928	6,028,257
Benson.....	10,618	2,994,488	3,945,755
Billings.....	1,769	498,893	657,378
Bottineau.....	12,091	3,409,904	4,481,988
Bowman.....	3,998	1,127,516	1,485,697
Burke.....	6,597	1,860,486	2,451,511
Burleigh.....	25,252	7,121,569	9,383,896
Cass.....	57,903	16,329,804	21,517,334
Cavalier.....	11,693	3,297,660	4,345,236
Dickey.....	9,066	2,556,793	3,369,016
Divide.....	5,977	1,685,634	2,221,113
Dunn.....	7,212	2,033,928	2,680,051
Eddy.....	5,361	1,511,909	1,992,201
Emmons.....	9,694	2,733,902	3,602,387
Foster.....	5,301	1,494,988	1,969,905
Golden Valley.....	3,487	983,404	1,295,804
Grand Forks.....	39,190	11,052,364	14,563,396
Grant.....	7,109	2,004,880	2,641,775
Griggs.....	5,414	1,526,856	2,011,897
Kettinger.....	7,086	1,998,394	2,633,228
Kidder.....	6,154	1,735,551	2,286,888
La Moure.....	9,471	2,671,011	3,519,518
Logan.....	6,345	1,789,417	2,357,865
McHenry.....	12,556	3,541,043	4,665,935
McIntosh.....	7,591	2,140,814	2,820,892
McKenzie.....	6,840	1,929,017	2,541,812
McLean.....	18,770	5,293,515	6,975,120
Mercer.....	8,676	2,446,806	3,221,088
Morton.....	19,242	5,426,629	7,150,520
Mountrail.....	9,399	2,650,706	3,492,762
Nelson.....	8,055	2,271,671	2,963,319
Oliver.....	3,077	867,776	1,143,444
Pembina.....	13,944	3,922,487	5,181,730
Pierce.....	8,259	2,329,293	3,069,127
Ramsey.....	14,334	4,042,474	5,326,058
Ransom.....	8,838	2,492,493	3,284,289
Renville.....	5,388	1,519,524	2,002,235
Richland.....	19,738	5,566,511	7,334,838
Rolette.....	11,094	3,128,750	4,122,641
Sargent.....	7,568	2,134,327	2,812,344
Sheridan.....	5,226	1,473,837	1,942,034
Sioux.....	3,709	1,046,012	1,378,301
Slope.....	2,308	650,902	857,676
Stark.....	16,121	4,546,444	5,990,725
Steele.....	5,131	1,447,045	1,906,731
Stutsman.....	24,039	6,779,479	8,933,133
Towner.....	6,329	1,784,905	2,351,920
Traill.....	11,330	3,195,287	4,210,341
Walsh.....	20,485	5,777,180	7,612,431
Ward.....	34,631	9,766,635	12,869,226
Wells.....	10,384	2,928,496	3,858,798
Williams.....	16,402	4,625,692	6,095,147

¹ Total of columns 2 and 3.

NOTE.—The amounts for each county represent that county's share in the programs listed in the column headings, when that share is computed on the basis of per capita amounts of each program. Total foreign aid and grants utilized, and aid and grants available, were divided by total United States population to find the per capita amount of the program. That amount then was multiplied by the population of each county. The same procedure was followed in computing the county's share in the defense appropriation bill.

Mr. LANGER. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. The committee amendment is open to amendment.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Butler, Md.	Hill	McFarland
Byrd	Hoey	McMahon
Carlson	Holland	Millikin
Case	Johnson, Colo.	Morse
Clements	Johnston, S. C.	Mundt
Connally	Kerr	Murray
Dirksen	Knowland	O'Mahoney
George	Langer	Russell
Gillette	Malone	Saltonstall
Hendrickson	Martin	Williams
Hickenlooper	Maybank	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. FREAR, Mr. MCCLELLAN, and Mr. SMITH of New Jersey answered to their names when called.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). A quorum is not present.

Mr. MCFARLAND. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of Senators on the floor of the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. SMATHERS, Mr. WELKER, Mr. TAFT, Mr. NEELY, Mr. ELLENDER, Mr. CORDON, Mr. MCKELLAR, Mr. YOUNG, Mr. ECTON, and Mr. SCHOEPFEL entered the Chamber and answered to their names.

After a little further delay Mr. AIKEN, Mr. BENNETT, Mr. BENTON, Mr. BREWSTER, Mr. BRICKER, Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. CAPEHART, Mr. CHAVEZ, Mr. DOUGLAS, Mr. DUFF, Mr. DWORSHAK, Mr. EASTLAND, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GREEN, Mr. HAYDEN, Mr. HENNINGS, Mr. HUMPHREY, Mr. HUNT, Mr. IVES, Mr. KEFAUVER, Mr. KEM, Mr. KILGORE, Mr. LEHMAN, Mr. LONG, Mr. MOODY, Mr. NIXON, Mr. O'CONOR, Mr. PASTORE, Mr. ROBERTSON, Mrs. SMITH of Maine, Mr. STENNIS, Mr. THYE, Mr. UNDERWOOD, Mr. WATKINS, and Mr. WILEY entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. MALONE. Mr. President, the pending bill, which originally called for \$8,500,000,000 and which has now been cut by the Senate committee approximately \$1,000,000,000, has been almost immediately increased by another \$1,000,000,000, authorized for the Export-Import Bank for use in the making of loans, bringing the total amount again to \$8,500,000,000. Taking into account the loans through other agencies, such as the World Bank, and including expenditures on the point 4 program, it probably will approximate \$10,000,000,000 before the year's expenditures are fully covered. Mr. President, that is in addition to the current domestic expenses, including our own armament cost.

The taxpayers of America are unable to carry the burden. We put this appropriation on the basis of assisting European and other nations, whereas those countries at the present time are probably better off than we would be if we had to face the music all at once and pay up. We owe a national debt,

as the result of a succession of programs like the one which faces us today. The public debt, apportioned among the respective States, represents more than the value of their taxable property.

Let me refer to the taxpayers of the State of Nevada, the small taxpayers, the working people of my State. I have covered the country pretty thoroughly, and I believe that the people of my State are average people. Many of them are simply going out of business.

Mr. WELKER. Mr. President, will the Senator yield for a question before he gets into the main theme of his address?

Mr. MALONE. I am very happy to yield to the distinguished Senator from Idaho.

Mr. WELKER. Am I correct in the assumption that the taxes to be levied upon the people of the State of Idaho amount to a sum in excess of \$33,000,000, which, I must say, is a tax greater than the entire tax imposed by the State in order to operate the schools, roads, State government, administrative affairs, and every other function of State government? Am I correct in that?

Mr. MALONE. That is absolutely correct, I may say to the distinguished junior Senator from Idaho. The junior Senator from Nevada has not computed the amounts for each State, but the condition he suggests obtains in most of the States, including my own. To pay the State's proportion will require a Federal tax and a Federal collection greater than the amount required to operate the State government. Not only that, but the public debt, divided on a per capita basis, is in the case of a number of States more than the taxable value of the property in the State.

Mr. President, we talk in billions of dollars. Many people have accustomed themselves to that. If the great majority of the people ever operated a business, it was probably a small business, valued at only a portion of even \$100,000. They have no realization of the meaning of billions of dollars, and they have had no practical experience which would enable them to know.

The junior Senator from Nevada, having been engaged in the engineering business for 30 years, is accustomed to dealing with rather large amounts of money and estimates, and he understands what it means to bond districts in order to raise a certain amount of money. When it comes to talking in terms of what a community can raise through a bond issue, a very serious question is involved throughout my State of Nevada, and throughout all the States of the Nation. The people very carefully consider and trim public expenses.

As I have said, we now talk in billions of dollars, as we must in connection with our own defense, and which no one questions. We need air groups. In 1948, the junior Senator from Nevada joined with other Senators on the Senate floor in authorizing 70 groups, when the President had recommended 54 groups. He built 45 groups. As a result, we found that we were not ready for any emergency, and not being ready is how one

gets into trouble. We want to build our air groups; we want to build our submarine fleets, but in arming ourselves, we must measure our ability to pay.

As I said earlier, many of the foreign countries are in better shape than the United States of America at this time, when it comes to the matter of actual assets.

In the United States we have a taxing system by which we reach not only the corporations and the people who might be expected to have money, but we reach the hard-pressed workingmen and the workingwomen. We have a theory, widely advocated, to which even some Republicans have subscribed, to the effect that when we raise wages, or when the workers earn a little more money, we must siphon it off in taxes in order to prevent inflation. We seem to have some sort of idea that if an individual has his pay raised, say, 50 cents a day, or a dollar a day, he must spend that extra amount, and that this spending causes inflation unless the Government steps in and siphons off the raise in taxes.

Mr. President, such is not the case. Government spending causes inflation, just as much as does spending by individuals, indeed more so, because when the individual spends money for things which he himself needs he is building up wealth-producing property. On the other hand, when the Government spends, it is not building up wealth-producing property.

Mr. President, since World War II closed, this Nation has spent more than \$40,000,000,000 outside this country; \$40,000,000,000 is hard to visualize. It is \$3,000,000,000 more than the total taxable property of the 11 far Western States, and the 14 Southern States, including Texas.

In an earlier debate, it was computed by the junior Senator from Nevada that, going back to UNRRA and the \$3,750,000,000 worth of aid to England, and then the Marshall-plan funds, the point 4 program, and all the trick methods of giving foreign countries our money, approximately \$8,000,000,000 a year has been going outside this country. We have been doing that to build up industry in other countries.

The theory of UNRRA and of the Marshall plan was that we would be establishing markets for the American businessman abroad. Just why we decided we were establishing markets for American businessmen abroad was always a mystery to me. I debated that question on the Senate floor, pointing out that in the engineering business the first thing an industrial engineer tries to determine in estimating the feasibility of a plant in a certain area is the location of markets. It is not a question as to how much he can produce. Anyone can produce. The difficult part is the marketing.

Mr. President, after we started throwing these billions of dollars into Europe to build up their industry we soon found they had to sell their products. Where were they going to sell their products? There was only one real market in the

world where they could get the money, and that was the United States of America. That meant opening our markets to the low-wage products of the world. Then we soon began to hear about "reciprocal trade," a catch phrase by the short-sighted one-economic-worlders to build up free trade.

In current press dispatches it is no secret that England wants more money immediately. As a matter of fact, she is in as bad a financial condition as she was when we first adopted the Marshall plan. Representatives from England will be here in early September. The interest is due on the principal of the \$3,750,000,000 loan we advanced England, but no doubt the representatives will get the United States to pass the payment. In all fairness, I must say that no one in America thought there would ever be any payment. It is but the fulfillment of our prediction.

England's representatives will be here to deny that England is able to pay any money on the debt, even any interest.

The second reason they will be here is to get more money to operate their Government.

It is easy to see that the Marshall plan, as well as all the other foreign-aid plans, is just one more method of separating the taxpayer of America from his money and to head this country toward a one-economic-world set-up. So long as we have more wealth than any other country, apparently we shall be dishing it out.

We are living on emergencies, and have been for a long time. In 1939, after we had gone through several years of various methods of shoveling money out of the United States Treasury in made work of all kinds, there were still 9,000,000 persons unemployed in this country, and more millions partially unemployed.

Unemployment was increasing. World War II came along and cured the unemployment problem.

On June 26, 1950, there were five to six million persons unemployed, and there were eight to ten million persons partially unemployed. On the 27th of June the police action in Korea came along. Mr. Sawyer, Secretary of Commerce, in a newspaper dispatch following the advent of that police action which Mr. Truman instigated, said that we had surely cured the unemployment situation. At this very moment we are living on an emergency, and the administration has kept emergencies going almost continuously since 1933. If at this moment we should run out of an emergency, our economy would crumble within 90 days.

Mr. President, a real problem is taxes. Our committees have reached the point where they are laboring long and diligently to find new sources of taxation. They have just about exhausted everything, and they have also about exhausted the taxpayers. I predict that many taxpayers will be absolutely unable to pay their taxes, considering the new taxes which are coming. The new taxes represent just about the amount which we will throw out into European countries and around the world, and they represent just about the amount that will break the camel's back.

Another serious thing is the present deficit financing. The administration is back into deficit financing. A well-written and clear editorial appeared in today's Wall Street Journal. I read:

Judging from Senate committee and House action, this year's appropriation for foreign aid will be a billion dollars or more under the \$8,500,000,000 recommended by President Truman. In effect Congress is saying that the United States Treasury and its supporting taxpayers cannot safely or sensibly be burdened on the scale proposed by the administration.

Congress is right about that. But the same issue which is involved in the foreign aid bill runs through all the administration's financial programs and recommendations.

Further on in the editorial we find this language:

Underlying the action of Congress on the foreign-aid bill to date is the fear—shared equally by Democratic and Republican Members—that the purchasing power of the dollar may be progressively destroyed.

There is no question but that it will, Mr. President. The appropriations we make and the bonds we sell are turned into greenbacks through the banking methods. It is well known that several billion dollars of new money is printed each year to make up the large amount of circulating medium, and the more money we have, the more inflation we will have under present conditions.

The editorial continues:

But the significant fact remains that the Government has returned to deficit financing. It is thus increasing the national debt; it is a near certainty that it will soon be borrowing on a greater scale. We dare not forget that a central government's borrowing is the root source of price inflation and that price inflation is a partial repudiation of the debt.

Mr. President, at that point I should like to say that in the past 15 years the administration, through inflation and devaluation, has stolen much more than 50 percent of the savings and the insurance of this country. In the case of a man who has paid on his insurance for 10 or 15 years, all the time believing that on his death he will leave enough to pay his modest debts and continue his children in school, the purchasing power of what his policy will pay will be less than half of the purchasing power of the same amount when he was paying for the policy.

Mr. President, it is not a very nice thing for a government to steal half the savings and half the insurance of the people of the country. In my opinion, the Congress of the United States is partly responsible for this, because, regardless of what a President recommends, the Congress must do the authorizing.

There is still something else which is helping to destroy the economic structure of the country.

I should like to call attention to a statement appearing this morning in the same newspaper from which I have just quoted, the Wall Street Journal, on the subject of free trade. It will be remembered that earlier in the session we extended the so-called Reciprocal Trade Act for 2 years. We did manage to cut it down to 2 years, and, in my opinion,

it will not be extended again, for, by the time it comes up again, it will be seen what the results of free trade are, and the workingmen and investors will simply not stand for a continuance of it.

At the time that measure was under discussion, the junior Senator from Nevada placed a sewing machine made in Japan on one corner of his desk and a sewing machine made in the United States by White or Singer, or one of the other standard companies, on the other corner of his desk. Those two machines, each guaranteed to do the work done by the other, looked about alike. It was hard to tell them apart. The junior Senator from Nevada pointed out at that time that the difference between the machines lay in the price. One was sold at \$22 wholesale, and the other was sold at \$71 wholesale, approximately. The difference was simply the result of one thing. Those who manufacture the Singer or the White sewing machine paid their employees from \$1.80 to \$1.90 an hour for labor in this country. The workingmen in those industries lived in good houses. They had carpets on their floors and curtains at their windows; they ate good food, drove an automobile. On the other hand, the sewing machine factory workers in Japan received 7 cents an hour and did not have the things the American workers had.

It was nice for a lady to be able to buy a sewing machine at the low price at which the Japanese sewing machine was sold. That one American industry could be run out of business and the American sewing machine factories closed without that lady being affected very much thereby. But if the same thing were extended into textiles, the products of the mines, precision instruments, crockery, and right on down through the list of products of the various industries, the lady would find herself very much injured thereby. The junior Senator from Nevada at the time he made his speech placed in the Record a long list of industries which were in the same hazardous condition as the sewing machine industry. The lady would eventually find that she would not have the \$22 necessary to pay for a Japanese sewing machine, because her husband would have lost his job.

It comes down to the simple point of whether we are going to support our standard of living or whether we are going to undermine it by the one-economic-world free-trade theory, whereby our standards would be leveled downward to meet the economy of low-wage nations.

The editorial published in the Wall Street Journal this morning was something that was predicated by the junior Senator from Nevada. It says in part:

Sewing machines of Jap origin give United States manufacturers rough competition.

That is the headline. It continues:

Our former enemy and future ally is shipping them here at a rate of 250,000 annually. That's about 25 percent of the annual number of units sold in the United States. These machines are retailed at \$47.50 to \$150, or from 30 percent to 50 percent below the price of American-made units.

Only the sewing machine heads are produced in Japan. The motor, enclosing arm,

and cabinet are added in this country. The machines closely resemble models by Singer and White.

I may say at that point that the Japs are great imitators. Furnish a Jap with a pair of eyeglasses or a pair of shoes and he will duplicate the eyeglasses or the shoes. The Japanese workmen are very fine workmen. I was in China where I heard the story that someone wanted a pair of shoes duplicated and asked a Jap to duplicate them. He forgot to tell the Jap that he did not want the defects duplicated. The pair of shoes were duplicated exactly, even to the worn soles.

I continue to read from the article in the Wall Street Journal:

Many dealers claim their sales of the United States products have tumbled about a third this year.

Domestic manufacturers complain they're not allowed to use nickel while the imported machines contain quantities of the strategic metal.

SECURITIES AND EXCHANGE COMMISSION

Mr. President, we have a Securities and Exchange Commission. In 1948 and 1949 a Senate committee held a few hearings on the method of operation of the Securities and Exchange Commission. That was when the Republicans controlled the Senate and its committees. At that time it was pointed out that the Securities and Exchange Commission had set up an organization whereby their self-anointed economists and engineers determined whether a proposed business would be feasible or not. I point out that it never was intended that a State securities and exchange commission or a national securities and exchange commission should determine feasibility before allowing a stock to be sold. That was never intended. It was intended only to compel the seller of stocks to tell the truth.

Nevertheless, the Securities and Exchange Commission takes unto itself the authority of prohibiting the obtaining of private capital through the sale of securities if it should determine that the investment is not feasible.

If the Securities and Exchange Commission had had to pass on the new Texas oil field, it would never have been discovered. This morning's press tells about one of the largest oil fields ever discovered in the country. It was discovered by wildcat operators, who sell shares of stock or interests in order to keep the drills running, they usually sell out to a large company, after the field has been proven.

The Commission is doing everything it can to run out of business the prospectors in the mining business and the wildcat operators in the oil business.

At this time, with all the other things going on, the depletion allowance in the oil industry is the only thing that keeps oil investments going. It is the same way in the mines. The depletion allowances ought to be increased, and not reduced.

Bureaucracy is at the root of much of our trouble. Congress passes a bill, inserting a paragraph to the effect that all the details of administration shall be in the hands of an administrator, who

may make his own rules and regulations, having all the force and effect of law.

It is impossible to develop a business and operate under such conditions. Thus we have run private capital out of the field. We are running it out of all fields of investment.

As we do that, we must, of course, make arrangements to use the taxpayers' money to finance development.

It all leads to one goal.

Mr. Eden was here the other day. He made a speech in Chicago suggesting that we should modify our Constitution, give up some of our sovereignty, and join in a federation of nations. There is a bill pending in the Congress, sponsored by several Senators, calling upon the President to appoint representatives to attend an international conference with a view of doing just that.

If we should join a federation, as Mr. Eden suggests, and as the bill which has been introduced would provide, leading to the modification of the Constitution of the United States, it would simply mean that the other member nations could vote us into war. They could levy taxes on the basis of what the majority considered the ability to pay, and they would not have to come to Congress for the billions of dollars which we pour out to them every year. If it embarrasses them to have to ask the Congress of the United States to vote money for them, as it probably does, they could then simply assess us. I can see Mr. Eden's point.

The steps in this European plot started with the Vandenberg resolutions in 1948. The junior Senator from Nevada debated the subject with the late Senator Vandenberg, of Michigan, stating that if we passed his resolutions, calling upon the President and the Secretary of State to make such a treaty without specifying the conditions of the treaty, we would be bound to accept it when it came to the Senate. I pointed out that that would be a departure from our traditions; that we were here to study treaties and accept them or reject them.

In answer to my warnings, it was piously stated right here on the Senate floor that passage of the Vandenberg resolutions did not mean we would have to accept the pact which would ensue; then it was stated piously that if the pact should be accepted that did not mean we would have to furnish arms; then it was stated piously that if we should furnish arms it did not mean we would have to furnish men.

Mr. President, step by step those things have happened. The junior Senator from Nevada pointed out in 1948, 1949, 1950, and about three times this year exactly what the one-worlders were up to. I also pointed out that we could not limit the number of men once we started sending them. I also pointed out that we would have a repetition of the steps in World War II, in the early part of which Winston Churchill said that they needed money only. After we gave them money, he said they needed equipment and arms. After we gave them arms and equipment, he said they needed men. We gave them men. Then he said, "We are destroying the seed of England. We must have more men from

America." We ended up by furnishing 73 percent of the soldiers in the European army. And it looks as though we will do it again.

Mr. President, in connection with the number of men to be furnished by us, it will be remembered that it was just said that six divisions would be sent to Europe. With approximately 15,000 men to a division, it would mean about 90,000 men. Then out of a clear sky comes the announcement of General Marshall. Due to his fatherly attitude and his age, no one wants to abuse him or say that he knew better in the very beginning. Marshall was chosen to break the news. He announces that 400,000 men will be necessary. So here we go again. Now it is 400,000 men. I predict that by next year, it will be 1,000,000 men. We will end up by again furnishing at least 73 percent of the troops in Europe.

No other country is furnishing any troops to General Eisenhower. Not one intends to do anything about it.

Russia does not want war now. Russia does not want a war in Europe. Why should Russia want to take over Europe when we are furnishing European countries with money, raw materials, and industrial machinery which those countries need to manufacture material for Russia and other iron-curtain countries and Communist China? It would be silly for Russia to disturb a situation like that. She knows that if she did we would give up sending raw material and industrial machinery.

England has defied us. The Battle bill, which has just been passed by the Senate, took the place of the Kem-Byrd-Malone-Wherry amendment, to stop the arming of Russia by Marshall-plan countries. According to certain press reports, the Battle bill is a great bill. As a matter of fact it defeats the original purpose, because the administration is entirely in the hands of an administrator who takes his advice from the State Department, the Department of Commerce, and other departments of government which all along have been aiding and abetting the arming of Russia, iron-curtain countries, and China.

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

Mr. MALONE. I am happy to yield to the distinguished Senator from Idaho.

Mr. WELKER. I should like to ask the Senator from Nevada whether or not he has heard anything recently from Europe which would substantiate a statement made in the State of Idaho by a very prominent labor leader who has just returned from France, Germany, Italy, and from behind the iron curtain itself. I should say before reading his statement that I am not in agreement with his ideas and views. When asked the question as to what France and Italy thought of us—and we should bear in mind that the labor leader's statement to which I refer was made on August 13, 1951—his answer was:

Us as people, they think we are all right; but as a government dominating their country, they have no use for us. They have signs all over France: "Americans, why don't you go home?" It seems as though everything we are doing for them is not benefiting

the working people. In Italy the same exists, except for the signs. This people was beaten during the war and they don't express their opinions as much as most of the people of France do.

Can the distinguished Senator from Nevada tell us what his knowledge is as to whether or not such signs do in fact exist in those countries?

Mr. MALONE. I saw such signs as referred to by the distinguished Senator from Idaho. I was over there in 1948. I did a little exploring, to see if times had changed very much. It was not safe at that time for American soldiers to walk down the street alone at night. They had to travel in groups, just as they had to do after the armistice in 1918. They do not like us. They do not like to be dominated. The money we are sending and the various things we are doing for them are not benefiting the common people, as they are called, and they do not intend to fight a war.

The Labor Party of England and the Labor Party of France made that very plain. They are the controlling parties. That is to say that they have a large enough vote to get control through a coalition. They are not going to go to war with Russia. That is nothing new, Mr. President. About 2½ years ago there was a labor meeting in England, and that is the information which came out of England. Later the same came out of France.

We do not understand the foreign policies of England, France, and other European countries. We think that because they were with us in World War I they would all be with us in world war III. I wish to call the attention of the junior Senator from Idaho [Mr. WELKER] to the fact that that does not necessarily follow. Between 1858 and 1862 England had an outstanding Prime Minister, who voiced the foreign policy of England. It has been echoed by several subsequent Prime Ministers of Britain. What he said, in effect, was this: "We"—meaning the English—"have no permanent friendships or enmities; we have but permanent interests."

Mr. President, what are England's permanent interests? Let us skip past other British Prime Ministers who made the same statement, in effect, and let us come to Churchill. Mr. Roosevelt on one occasion said to Mr. Churchill, in effect, "Why don't you relinquish your claim on the Malayan States, and save all of this trouble?"

Churchill, having the great gift of using catch words and phrases, answered, "I did not become the King's First Minister to liquidate the British Empire." In other words, if the United States does not support Britain, by helping maintain her colonial system, Britain will no longer consider us her friend. That is what he had in mind.

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

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

Mr. MALONE. I am glad to yield to the distinguished Senator from Idaho.

Mr. WELKER. I hold in my hand a transcription of a radio broadcast given

by an official of a prominent labor union in my State. Let me say that I am very well acquainted with the workers who are members of this union. I have fought for some of their problems in Idaho, and I respect a great many of them.

However, certain allegations which were made in that radio speech, of which I have a transcript, cause me great concern, because that man who spoke in my own State spent 23 days behind the iron curtain in Russia. In his speech he informed the people of my State, by means of the radio, that he and others in his group took their still cameras and motion-picture cameras with which they took photographs of everything they desired to photograph at any plant in Russia which they wished to photograph. Among other things, that man told the people of Idaho in the course of his radio address:

I never seen anybody who showed the consideration that the people do for us.

Speaking of the people of Russia.

They heartily hate our Government. We know that. But as far as the working people and the common people in the United States, they like and they love them.

He was asked whether the people of Soviet Russia were preparing for war. I quote now from a portion of his radio speech, which, as I say, has given me great concern, in view of the fact that we are considering this foreign-aid bill this afternoon:

Every town, every city, every plant we were in, everything that you could hear was peace. Those people are building for peace. In all the plants we were in we never saw any preparation for war.

Mr. President, I am wondering whether the gentleman who made that radio speech was a victim of the propaganda of the Soviet Empire, and I wonder whether the Senator from Nevada has any information which he can give us to clarify these most startling statements which were made by that gentleman in his speech over the radio in my State.

Mr. MALONE. Unfortunately, Mr. President, I must say to the distinguished Senator from Idaho that I have no detailed information in regard to Russia. Our State Department constantly issues statements to the effect that it is unable to obtain accurate information about Russia. Personally, I have no information.

However, the radio speech to which the Senator from Idaho has referred seems to fit in with what is going on, and what was said over the radio sounds like good Soviet propaganda.

Mr. President, either we are preparing to fight another nation or we are not preparing to fight another nation. If we are preparing to fight a certain nation, it is time we stopped arming that nation. However, we are doing that through Marshall-plan countries just as surely and just as effectively as if we were sending the supplies and materials directly to Russia herself.

The radio speech to which the Senator from Idaho has referred seems to reflect the British attitude. Britain recognizes Soviet China and is continuing to arm the Chinese Communists.

Mr. WELKER. Mr. President, will the Senator yield for a further question and for an observation?

Mr. MALONE. I am very glad to yield.

Mr. WELKER. I have related to the distinguished Senator from Nevada portions of the transcript of a speech made over radio station KWAL, in Idaho, on August 13, 1951. I should say to my distinguished friend and colleague that I do not believe anything which was said in that speech; I believe that the gentleman who made the speech was a victim of Communist propaganda.

However, I cannot forget the problem I have in answering to my own people, within the State of Idaho, who heard that broadcast and believed it. I cannot forget the obligation I owe to them, because if what that man said is true, certainly it requires a little high-level investigation—either at the highest level, or slightly below the highest level—on the part of our State Department. In any event, something should be done to determine the truthfulness—or lack of truth—in such a statement.

As I have said, I wish to make the record perfectly clear that I believe that the man who made that radio broadcast was victimized by Communist propaganda.

Of course, we could expect such things to be said behind the iron curtain, but if that propaganda is being carried on within France and Italy, is it not time that the American people are alerted to the fact that citizens of our own country who go to Russia are being misled and propagandized by the people within the Soviet empire?

Mr. MALONE. I think it is not only time, but it is long past time.

We are the ones who pay the bill. We are the ones who do the fighting. We are the ones who furnish the men on the battlefields. We just finished one war out there; at least, it is temporarily finished. We have furnished 90 percent of the men in Korea.

Mr. WELKER. Will the Senator yield?

Mr. MALONE. I yield to the distinguished Senator from Idaho.

Mr. WELKER. I appreciate the remarks of my friend from Nevada, and I am sure he will agree with me that, before we vote away our taxpayers' money for foreign economic or military aid, we, as representatives of our Government, want to know that the money is going to be well spent. I think that desire is in the heart of every Senator, or at least it should be.

I might relate to the distinguished Senator from Nevada that 3 nights ago I had a visit with a missionary from my State, representing one of our great churches in the West—and the Senator is familiar with the church—who had just returned from Europe, after spending nearly 3 years there associating with people in all walks of life. I asked him, "What do the people in Europe, where you have been, think of us?" The answer was, "Unfortunately, Senator, a large majority of them call us warmongers." I may say to my friend from Nevada, I realize that Europeans who make that statement are misinformed; but we are confronted with that ever-

present fact. If we send our fortune and our supplies to Europe, what assurance have we that they will get into the right hands, rather than into the hands of those who call us warmongers, and who tell us to go on home and mind our own business? Those, to me, are serious problems.

Mr. MALONE. I assure the distinguished Senator from Idaho that they are serious problems; but the more serious problem is that we cannot continue to assess our people the way we are assessing them now, surrounded by the conditions which the junior Senator from Nevada has outlined—free trade, unbearable taxes, deficit financing, a Securities and Exchange Commission holding down private financing, and general bureaucratic control. Destruction of the economic system in this country is under way, and as soon as the war emergency is over this economy of ours will crumble, particularly with the excessive taxes. If we were on a sound foundation the excessive taxes to meet the budget would be unnecessary. Furthermore, if the European countries were paying their way, as they could, and if they were furnishing their men, as they could, we could go ahead and do the things we should, toward building air supremacy, supremacy in submarines, and sea supremacy.

The Senator is well aware, I am sure, of the new submarine which will be in use within 2 years. It is equipped with the new reactors. There is no question but that the submarines will be able to operate for 6 months without refueling, and that planes, too, may be in that class soon if we put our money into the kind of materials and laboratories which will bring it about.

There is no question but that we can stay ahead of Russia.

We naturally resent the fact that every time we have an appropriation bill before us, whether it is for \$50,000,000,000 or \$10,000,000,000, or \$8,000,000,000, General Eisenhower or General Marshall or someone else within the administration issues a statement that war is here, a statement designed to scare us into the appropriation of money to be sent away from our shores.

Let us prepare here at home. Let us put our house in order.

The junior Senator from Nevada once said on the Senate floor, and he repeats it now, that anybody, be he the President of the United States or the Secretary of State, who gives to France or any other nation the secrets of our new discoveries in atomic energy, or anything else, should be impeached. We should stay ahead of these people.

Mr. WELKER. Mr. President, will the Senator yield for one more observation?

Mr. MALONE. I am very happy to yield to the Senator from Idaho.

Mr. WELKER. I may differ with my distinguished colleague from Nevada, who in the years past has rendered his State such great service. Coming from a neighboring State, I appreciate the Senator's efforts, as do the people of his State and of my State. The Senator is profound in the conclusions which he has expressed. I should like to believe in

collective security, I should like to believe in a defense which is perfect, but what impresses me now, in view of the answers which the Senator has made to my questions, is, Are we doing our duty to our country, in giving our fortune and our men to other nations who may not be full partners in the sense that we understand the term? I would go all out for a full partnership, such as the partnership we have among people in the West, where there is equal support for every function. But I cannot say to my people, in view of the things they have heard and read, that they, in the State of Idaho, should be taxed for mutual defense, more than it costs to run the entire State government for a year, unless I have within my heart an assurance that we shall have full cooperation on the part of the countries to whom we extend that support.

Mr. MALONE. I may say to the distinguished Senator from Idaho that he is entirely correct, and I hope that he will retain his faith in these foreign nations. But the thing which will make him a doubter is found in their own words, when they say "We have no permanent friendships; we have but permanent interests." That is their foreign policy.

Mr. President, I mentioned a while ago the fact that more aid will be asked by Great Britain. I have before me a United Press dispatch of August 28, 1951, under a Paris date line, headed "French Will Try for More United States Aid." The dispatch read as follows:

The French Cabinet decided today to press for large-scale increases in American aid to France.

Visitors from France have come back with the information that if that fails, as the distinguished Senator from Idaho has advised the Senate, the French will have nothing to do with us. They think we are warmongers. However, they like the way we keep up our payroll.

In the years 1948, 1949, and 1950, and two or three times in 1951, the junior Senator from Nevada has stated that any aid we give the nations of Europe should be predicated on certain conditions.

I firmly believe that any aid should be dependent, first, upon the formation of a United States of Europe. All the nations are afraid of Germany. Germany will fight and will work. If they were given 4 years, they could lick the rest of Europe. If there were a United States of Europe, Germany would be glad to join. The other nations will not buy products from Germany because they are afraid of her, economically and militarily. But, with a United States of Europe countries of Europe would be just like the States of California, Nevada, and Idaho. We in Nevada are not afraid of California; California is not going to hurt us. If they had the same kind of state relationship in Europe, Europeans could reach the zenith of their power.

Another condition that we should place on any aid, as I stated, would be that the recipient countries should guarantee the integrity of private investment within their respective borders,

Instead of that, we are giving the aid with no conditions and we ourselves guarantee private investment through the point 4 program. This situation is like an individual going to a bank borrowing a thousand dollars and the bank's guaranteeing the repayment.

Another condition on foreign aid should be that our producers should have access to the markets of the areas which we are committed to defend. That would destroy the colonial empire system. The colonial empire slavery system could not exist. If we should place such conditions on our aid, there might be a different story; but no such conditions were required.

Mr. President, the dispatch goes on to say:

Authoritative sources said Premier Rene Pleven's government agreed to warn Washington that unless substantial additional help is supplied, France will be unable to fulfill its commitments to General Dwight Eisenhower.

France will urge especially that United States aid be furnished for the French campaign against the Communists in Indochina and for defense industries at home, it was learned.

In other words, we must put our men in Indochina to defend France and to be sure the French do not lose their slaves in Indochina. If we do not do that, France will let it go by default.

I read another dispatch, dated Washington, D. C., August 28, from the United Press:

The United States allocated \$29,800,000 to bolster Marshal Tito's Yugoslav Government in its defiance of the Kremlin. The allotment was made by the Economic Cooperation Administration as part of \$50,000,000 in economic aid which this country, the United Kingdom, and France will send to Tito.

We know how much money France and England will send to Tito, and where it will come from. It will come from the United States. Here is an admitted Communist who is mad at another Communist temporarily, so we are sending him money.

We are also dealing with a country in which an American citizen is unlawfully detained. Instead of sending a couple of warships and a fleet of airplanes to pick him up, we are paying them. They shot down several of our airplanes at the end of World War II, and nothing was ever done about that.

Mr. President, I have another dispatch here. I mentioned Mr. Eden earlier in my address. This dispatch is in the New York Times of August 29, 1951. It is headed "Trade with Russia is upheld by Eden—Briton winding up visit to United States defends importing of grain, timber as dire necessity." It reads, in part, as follows:

Anthony Eden, deputy leader of Britain's Conservative opposition, defended yesterday his country's continued importation of Russian timber and coarse grains. He acknowledged that he had encountered considerable misunderstanding of the policy in the course of his trip through the western United States.

If he went through western United States I think this is the prize understatement, that he encountered misunderstanding.

Winding up a visit to this country and Canada with a press conference at the Waldorf-Astoria, the former foreign secretary touched on other international questions.

With regard to the possibility of war, he said that the situation in Europe "if anything, shows some improvement." He praised General of the Army Dwight D. Eisenhower's "quite remarkable leadership" of western forces, and held that "if we continue without pause or panic, we stand a very good chance of achieving our purpose of negotiating peace through strength."

Mr. President, as I said earlier, no one believes that Russia is threatening Europe, and it will not threaten any nation that has the materials she needs. She will, instead, take them over from the inside when the time comes, if that becomes necessary.

Recovery of the ECA nations since 1946 (as of August 1951)

[ECA nations—Index numbers of industrial production—1937=100 (except where otherwise noted)—Annual, 1946, 1947, 1948, 1949, 1950, and latest monthly figure]

	1946	1947	1948	1949	1950	Latest monthly figure	Date
Austria.....		159	190	1120	142	155	March 1951.
Belgium.....	172	86	192	194	98	118	April 1951.
Denmark.....	101	116	129	1138	152	161	May 1951.
France.....	73	87	102	112	113	129	Do.
Germany bizone.....	234	240	260	89	113	138	Do.
Greece.....	53	67	73	87	110	119	April 1951.
Ireland.....	109	117	128	1139	155	149	February 1951.
Italy.....		195	199	1105	119	137	April 1951.
Luxembourg.....	159	175	1100	196	101	119	Do.
Netherlands.....	75	95	114	127	140	145	May 1951.
Norway.....	100	115	125	132	141	162	Do.
Sweden.....	137	141	1150	1156	163	176	Do.
United Kingdom.....	90	98	109	116	127	132	Do.

† Latest figure, which differs from report of May 5, 1950.

* Base: 1936=100.

Source: Monthly Bulletin of Statistics, United Nations, August 1951.

Mr. MALONE. Mr. President, I will sum up.

WE SHOULD AT LEAST HAVE SAFEGUARDS

Mr. President, we have created a Frankenstein's monster called ECA which, unless restrained and controlled, threatens to destroy us. Last year I introduced four ECA amendments, which would set up conditions for further aid to any Marshall plan country. The effect of the amendments would be to require each participating country to agree—

First. That any further aid from the United States would be loaned to private business through the World Bank, in line with RFC loans to private business in this country.

Second. It will guarantee the integrity of private investments within its borders against socialization, nationalization, or confiscation, as we protect investments in this country.

Third. It will join in a concerted effort with the participating countries to form a United States of Europe similar to the United States of America.

Fourth. To eliminate any currency manipulation which prevents its purchasing power in terms of the United States dollar on the free monetary markets of the world.

I also joined in the introduction of the Kem-Malone-Wherry-Byrd amendment

Mr. President, as to the \$7,500,000,000, which will end up being nearer \$10,000,000,000, also the Export-Import Bank and the World Bank, and point 4, and other trick manipulations of the United States Treasury, I have a table here which is very interesting. It is a table showing the industrial production of the ECA nations from 1946 to the present time. The junior Senator from Nevada has used a similar table on several occasions on the floor of the Senate, from 1948 up to the present time. The table shows production increases year by year, on the basis of the 1937 production equaling 100 percent.

Mr. President, I ask unanimous consent that the table from which I have just read be printed in the RECORD at this point.

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

which would stop our present policy of supplying many kinds of machinery and equipment and parts to countries which trade with and ship such materials on to Russia and the iron-curtain countries and other Communist areas. This provision was originally made in the Malone Senate Joint Resolution 151, which I introduced on January 24, 1950.

It is estimated that if loans were made to private industry, the amount needed would be less than 30 percent of the amount we are asked to appropriate.

Now we are handed a foreign-aid bill and told: "This is it." This is what the experts demand.

Do you remember that when the ECA was first being foisted upon our unsuspecting taxpayers, we were told that by helping Europe recover we would establish European markets for American products? That was conveniently forgotten now, and we were told that "Buy European" was the new slogan, that when unemployment hits us, as a result, they will teach our workers new jobs and put them on relief.

That was the suggestion of the then great manager and director of the ECA: That we would teach the workers how to work at other jobs, and failing in that, we would create unemployment insurance and another WPA to take care of them.

ECA MONEY USED TO STRENGTHEN YOKE OF COLONIAL EMPIRE SLAVERY

Mr. President, our taxpayers' money is being used by the ECA in the Far East and Africa for the vile purpose of strengthening the yoke of bondage and slavery and perpetuating misery among the primitive peoples ruled and worked by imperial overlords through the colonial system.

A high British Government official has said quite frankly that the British needed American money, not for use in England, but to develop her Far East and African colonies—to be farmed for the benefit of the mother country. In condoning the French misuse of ECA moneys in the Far East and North Africa, the United States turns its back on morality and its promise to respect independent nations through the United Nations organization. Far from achieving any of its proclaimed objectives, the European recovery plan has served there only to consolidate French economic and political domination in Tunisia, Algeria, Morocco and Indochina.

CONSOLIDATING RUSSIA'S GAINS

The aid which we are sending to ECA countries is finding its way in manufactured and processed products to Russia and her satellite countries and to other areas dominated or controlled by Russia, consolidating her gains in the iron curtain countries and in China.

The Communist countries are being armed by ECA, or Marshall-plan countries, through trade treaties. I secured and introduced into the RECORD a list of 96 trade agreements between ECA countries and countries behind the iron curtain, including Russia, made since the close of World War II. Metal working tools, steel, ball bearings, electrical machinery and apparatus, grain mills, heavy road machinery, farm machinery, and assembled motor vehicles are a few of the many items being sent to Russia's satellite countries from ECA nations. It is the opinion of informed people that Russia cannot process and manufacture goods fast enough to keep her satellite countries contented, and without our help Russia will fail in her aggression. It is paradoxical that only with our help can Russia hold her allies and hope to defeat us—and we are giving her that help through the Marshall plan, or ECA. It is simply a manufacturing-in-transit program.

SENATE IGNORED FACT THAT COUNTRIES RECEIVING OUR AID WERE TRADING WITH RUSSIA—96 TRADE TREATIES

When I first exposed the fact that England and other Marshall-plan recipients were sending Russia war-making materials, this body, the United States Senate, did not lift a finger to stop our money and materials flowing to those countries; in fact, the Senate actually opposed the measure introduced by me, Senate Joint Resolution 151, which would have stopped our arming of Russia.

Our foreign policy is a conglomeration of crackpot ideas. There is no bipartisan foreign policy; there never has been a bipartisan foreign policy; there has been a State Department program, decided upon and settled in every instance before the Republicans of the

Senate were even informed as to what was under consideration.

OUR MONEY DOWN A RAT HOLE

As for Europe, the administration forced the ECA down the throats of our taxpayers. Billions of dollars to Europe with no conditions attached. And for what? To arm Russia, her captive countries, and Communist China—and to build factories to produce manufactured and processed goods to compete for the jobs in this country, through the administration's free-trade policy.

WHY TREAT EUROPEANS BETTER THAN WE DO AMERICANS?

If money is to be sent to foreign countries, it should be loaned to private business within those countries, conditioned upon the protection of private property, and not given to the current European rulers to perpetuate themselves in power.

We should not give our taxpayers' money outright to any foreign governments, nor loan it to foreign private business within those areas on less stringent terms than an American can borrow it in this country.

CONTAINMENT PROGRAM TURNS INTO A GIGANTIC, SILLY GIVE-AWAY PROGRAM

The containment of Russia with scotch tape and the paying of blackmail money to the nations of Europe has not worked. The folly of past actions has been demonstrated. It is high time for an effective approach to our defense problems.

Our foreign policy has been just one thing: A gigantic give-away program—without rhyme or reason—except that producers of heavy machinery and other fabricated goods in this country might maintain a superficial market abroad—and hold up a false prosperity—financed by the United States Treasury through deficit financing.

And what has it gained us?

THIRTY-SIX AND ONE-HALF BILLIONS SPENT FOR WHAT? PEACE?

For nearly 6 years the United States, under the direction of the State Department, has been pouring into foreign countries \$36,500,000,000, plus \$6,052,000,000 in military aid. It was to buy for us, and the world, peace, and for us, friendship—the kind of friendship that will take off its coat when we get into a fight.

The peace is fictional, as Korea has shown. As to the friendship which these billions are supposed to have bought, that, too, is proving illusory, as all history proves that it would.

WHOSE SIDE IS BRITAIN ON?

Will Britain help us? Whose side is Britain on, actually?

When Prime Minister Attlee and President Truman reported a meeting of minds on cooperation, what did they mean? Are we going to maintain the present Government of the British Empire while it gives comfort and support to our enemy? Are we to wink an eye at England's selling war materials to Russia and her satellites while our boys are being killed with some of those war materials? Is the British stand on recognition of the Communist regime in China consistent with the Prime Minister's statement that the British flag will be found flying next to ours?

ECA MONEY HAS BEEN MISUSED

The American taxpayers are heavily burdened. Washington does not seem to understand that the great majority of Americans are having difficulty making ends meet. The American people should not be expected to carry on their backs these foreign nations while carrying the war load.

The ECA should be ended now. As a matter of fact, the ECA Act itself provides that assistance be "dependent upon continuity of cooperation among countries participating in the program." They are not cooperating.

ECA money has been misused and wasted. We have been informed of its financing night clubs and all kinds of useless things.

ECA has been used to build up foreign industries, which are enabled to compete on an unfair basis with American industries. ECA has been used as a black-jack, its regulations twisted to fit almost any purpose at the whim of its key officials.

ECA has been used to arm Russia. The junior Senator from Nevada inserted in the RECORD a long list of potential war materials which we ourselves sent to Russia. He also inserted in the RECORD a list of 96 trade treaties between the iron-curtain countries, including Russia, and the ECA countries receiving our aid. With ECA help, Russia has been receiving crude and semi-finished steel, locomotives, flat trucks, mobile Diesel electric generators, ball bearings, tool steel, heavy construction equipment, and other war materials.

The most recent trade treaty between Britain and Russia includes the shipment of three times the amount of rubber that the Russians usually receive; and as a penalty, if Russia does not receive that amount of rubber, she can cancel her end of the program.

Mr. President, in closing, I wish to say that in the opinion of the junior Senator from Nevada what we need is an American program. We need an American foreign policy. We need an American domestic policy.

In the humble opinion of the junior Senator from Nevada, 60 percent of our people in the United States are not doing very well. They are having a hard time paying their taxes and keeping their children in school. This extra \$10,000,000,000 of back-breaking taxes added to what we have already put on the backs of the taxpayers in years past, will be the straw that will break the camel's back in many of the homes of this Nation.

Mr. President, it is the opinion of the junior Senator from Nevada that one of the objectives of those who prepared the foreign-aid program is to destroy the economic system in this country. When it is destroyed we will find ourselves in the same position in which England finds herself today. The same is true of other European nations who have Socialist governments. We will have a Socialist government on our hands. I want to say again, as I have said before, that there is no difference in the final objective of socialism, communism, and fascism. The objective of all three is to have the government owning everything and the individual owning nothing.

The difference between communism and socialism—the kind of socialism which Britain has and the kind which our national administration is trying to carry out here—is that a Communist will shoot you to bring about his goal, whereas the Socialist will spend you into it. We have been spending ourselves into destruction for 15 long years.

The Congress of the United States is a spineless Congress. It is a Congress which votes whatever the Executive wants. There is no reason for its blindly and dumbly following the Executive. Congress over a period of 15 years has become like trained seals. All that is necessary to do is to cry "emergency abroad" and immediately a bill is brought in with the statement, "This is it," and Congress passes it. The President or Mr. Acheson pulls the strings, and the dummies nod their heads.

Let us put first and foremost the best interests of America and Americans. Let the yardstick of our decision in every case be: Is this in the interest of the ultimate safety and security and well being of the United States of America? Let us adopt the policy of England and of other European nations, that we have no permanent friendships or enmities; we have but permanent interests. Our interests are to protect the welfare and security of the United States of America.

Mr. President, I am for the United States of America, just as Mr. Churchill is for England. He is the one who has said that he did not become the King's First Minister to liquidate the British Empire. I say to you that I did not become a Member of the United States Senate to dissipate and destroy the economic system of this country, which is as much a part of America as are our grand traditions, our beloved countryside and our Republic of sovereign States.

Mr. DIRKSEN. Mr. President, for the information and guidance of Senators who may wish to address the Senate this afternoon, I shall take only 2 or 3 minutes, because I wish to get before the Senate an amendment which I propose to submit today or tomorrow, in the sponsoring of which a number of other Members of the Senate have joined.

First let me say that in the interesting years when I served in the House of Representatives I recall that a Representative inserted in the CONGRESSIONAL RECORD an address, delivered in Ohio, the first line of which has always fascinated me. It reads:

Nothing will ever be simple again.

That is a rather interesting confession. The junior Senator from Illinois does not propose to make it, for if nothing is ever simple again, it is only because we admit that we are getting lost in the machinery and are not trying to extricate ourselves. In no field of endeavor, Mr. President, is that so important as in the field of economy. If the Senate and the House of Representatives fail to do an impressive job in the field of economy on the ground that legislation has now become abstruse, difficult, and labyrinthian, it is a strange confession which will not register with the people of the United States.

My own feeling is that the way to economize and find the road to salvation is to cut expenditures. Tomorrow, Mr. President, or today, I shall submit an amendment to reduce the amount for economic aid in the pending bill by \$500,000,000. I am delighted and feel honored to be able to tell the Senate that associated with me in the sponsorship of the amendment are the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. McCLELLAN], the junior Senator from Idaho [Mr. WELKER], the distinguished minority leader, the Senator from Nebraska [Mr. WHERRY], the Senator from Nevada [Mr. MALONE], the junior Senator from South Dakota [Mr. CASE], the senior Senator from South Dakota [Mr. MUNDT], the Senator from Delaware [Mr. WILLIAMS], the Senator from Kansas [Mr. SCHOEPP], and the senior Senator from Idaho [Mr. DWORSHAK].

I may say now, before the day closes, that I graciously invite any Senator who seeks the light of fiscal salvation for our country, to hit the sawdust trail and join in this cooperative effort to save for the taxpayers of America \$500,000,000. I earnestly hope that the amendment will prevail.

I do not know whether other Senators share my concern about the fiscal difficulties and the menace of the suicide route. Mr. President, we lift our voices in magnificent clichés about the danger from the outside. Are we alert to the fact that America can die by suicide from within? The suicide route, the disaster route, is the fiscal route. If anyone has any doubt about it he need only lift his eyes, as did Ishmael, and contemplate what happened in Italy, contemplate what happened to the once great Republic of France, and contemplate what has happened to the other great Anglo-Saxon country, England.

Mr. President, in 1945 I sat and talked with the Chancellor of the Exchequer of Great Britain, Mr. Cripps, before the hand of disease fell heavily upon him and he went to convalesce in Switzerland. I examined the budget when I was in London. They were not aware of what the fiscal difficulties were until they changed their government, which set them on the disaster road, and which has merited an indictment from no less a personage than Churchill himself in an address to his constituency, which I propose to read in part tomorrow to the Senate.

Mr. President, I yield the floor, and I invite any of my colleagues in the Senate, who wish to help in the cause of economic salvation, to come and hit the sawdust trail and join in this effort.

Mr. SMITH of New Jersey. Mr. President, I wish to thank the distinguished junior Senator from Illinois for his courtesy in yielding the floor at this point, because he is aware of the problem which faces me, in view of the fact that, as the saying goes, I must wear two hats at the present time. I am wearing the two hats because of my membership on the Committee on Foreign Relations of the Senate. One of them has to do with the pending bill, on which I am desirous of saying a few words this afternoon. The other one is due to the fact that

I am an alternate delegate to the Japanese Peace Treaty conferences, which will be held in San Francisco, and I am compelled, because of that fact, to leave tomorrow morning at 10 o'clock with a delegation headed by the Secretary of State and Mr. John Foster Dulles. That is the reason why this afternoon I desire to say a few words for the RECORD, in stating my own position on the pending measure, in order that my position may be clear to my colleagues.

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

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

Mr. SMITH of New Jersey. Mr. President, I prefer to make my statement without interruption, unless the Senator wishes to ask a brief question.

Mr. AIKEN. My question has to do with the possible length of time this bill may be under consideration.

Mr. SMITH of New Jersey. Let me say that, so far as I am concerned, I believe I shall complete my remarks within the next 20 or 25 minutes.

Mr. AIKEN. Then for the time being I shall postpone any questions which I have.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. President, in opening my remarks I wish to emphasize the fact that I am giving my wholehearted support to the pending measure.

As a member of the Foreign Relations Committee, I was one of those who were in grave difficulty when this measure was proposed, because of the enormous amount of money involved, namely, \$8,500,000,000, for foreign aid. Therefore, I was one of a subcommittee of the Foreign Relations Committee which took a rapid trip throughout Europe in order to study the manner in which the \$8,500,000,000 estimate and request for authorization had been formulated, to determine what the situation abroad was.

Our subcommittee has already reported on its travels, so I shall not refer further to that trip, except to point out that in the course of a short space of time we went to Paris, London, Madrid, Athens, Ankara, Italy, Germany, and then back to France. The result of our investigation appears in the printed document which now is on the desks of all Senators, based on the testimony, which we had transcribed, from the various persons to whom we talked. Those persons included the heads of our own missions, our own experts, particularly our own military officers, and those engaged in the economic-Marshall plan—program.

The net result, so far as I was concerned, was to make me realize, at least, and to cause me to testify to my colleagues in the Senate, that, in my judgment, in what we are doing today we are not primarily aiding those foreign countries; our major purpose is attempting to insure the safety of the United States of America. In my considered judgment that cannot be done unless we collaborate with those other nations, especially the Western European nations which at the moment have the main im-

pact of this program, who are non-Communist and who believe in the fundamental freedoms.

Mr. President, eternal vigilance is the price of liberty, as has so well been said. Only recently I read that statement again. I never heard a better statement. Unless our vigilance is eternal, not only in Western Europe but also in the Far East and in the Middle East, and unless we think in global terms and try to see how far we are able with our own resources to contribute to the strength of the entire non-Communist world, I see grave dangers ahead. In making that statement I am thinking especially of the testimony we had from our military leaders, headed by General Eisenhower, in whom all of us have so much confidence.

So, Mr. President, I am giving my all-out support to the pending measure. I supported it in the form originally proposed by the administration except in two respects, which I shall discuss briefly. The bill as reported corrects one of those difficulties; and as to the other, before I conclude my statement I shall submit amendments which I shall ask to have printed and lie on the table, and also placed on the desks of all Senators.

The first of these two difficulties I had, which was removed by the committee, was in the amount of the authorization. The administration's bill, as originally introduced, called, as I have said, for \$8,500,000,000. The Foreign Affairs Committee of the House held extended hearings and studied the testimony and the estimates; and the House felt that in the light of our present very critical fiscal situation, an attempt should be made to reduce the amount of the bill from the \$8,500,000,000 figure; and the House finally arrived at a reduction of approximately \$1,000,000,000.

In the Senate committee we made a similar study. We took the testimony of various persons. We tried to consider where cuts could be made, if any could be made, without seriously jeopardizing the program. We arrived at approximately the same figure at which the House arrived, namely, a cut of about \$1,000,000,000.

So, Mr. President, the bill as it was passed by the House and the bill as it has been reported by the Senate committee call for the authorization of approximately \$7,500,000,000.

In working out the Senate version of the bill, we arrived at those savings by means of a reduction of 5 percent in the estimates for straight military end-items, and a reduction of 30 percent in the so-called economic-aid items.

I am sorry that in the bill we use the expression "economic aid," Mr. President, because all of us were agreed—both those in the House and those of us on the Senate committee; and I have talked about this with my House colleagues—that economic aid, such as we understand it under the so-called Marshall plan, should not continue, and the Marshall plan should be wound up; the ECA, as we know it, should be terminated.

However, we felt that in determining our military needs, we have to think of some so-called economic items, for the express and specific purpose of building

up military security. I can illustrate what I mean by a very brief reference. Our figures in regard to military items called for military end-items, such as tanks, guns, and other military equipment. These items could be procured from the United States or, in many cases, could be produced in other parts of the world. The economic end of the program is designed in every large part to provide means for countries such as Britain, France, Italy, or Belgium to use their plants for production of the military items they need in order to arm their divisions, as those divisions are developed. So, as I say, in using the word "economic" in connection with this bill I think we should have made the meaning in that connection clearer both in our report and in the other documents. I desire to say, nevertheless, that I think the report on the bill is excellent and I hope that all of my colleagues will read the report, bearing in mind that we are changing our concept of economic aid, and that both the House and the Senate committees considered it necessary to build up abroad the capacity for the production of military matériel. In the entire bill, I think only a very small percentage will go for purposes other than the production of strictly military items, as I define them, the development of military facilities, and essential economic support for these activities.

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

Mr. SMITH of New Jersey. I prefer not to yield until I conclude my principal remarks. However, I am glad to yield at this time to the distinguished Senator from Minnesota, because I believe he may wish to elaborate on the point I have been making.

Mr. THYE. I thank the Senator.

Mr. President, I have been following the remarks of the distinguished Senator from New Jersey as he has made his explanation of his position in regard to this measure, which calls for assistance to other nations in connection with helping ourselves. After all, when we help the participating European nations in the development not only of their industrial plants, but also, by means of those plants, the manufacture of the implements of war which it is necessary for them to have in order to implement the Atlantic Pact, in reality we are helping ourselves, because in that way we are lessening the demands upon our own economy, and thereby we are lessening the threat of all-out inflation, by obtaining that much of the needed manpower and manufacturing facilities and implements of war in those foreign countries, rather than throwing that burden upon our own economy, which already is strained and threatened with an inflationary trend because we cannot supply the domestic needs of the consuming public in the United States.

So I believe that as we proceed to assist those countries in the development of their industries, to meet the military needs, as we proceed to align ourselves with these nations in building a military strength which the Communists will not only fear but, through their fear, will also respect, we thereby assure that the Western European area of the

world will not fall under the domination and control of the Communists.

Mr. SMITH of New Jersey. The Senator from Minnesota is entirely correct in what he says, and I am glad he made those remarks, because his statement tends to bring out the point I am trying to make. I might add that we are contemplating—and this statement is the result of conversations with General Eisenhower and our other military leaders in Europe—that, in the course of probably 3 years, if we develop this program adequately, we can, so to speak, wean the baby from the bottle—the bottle being the United States—and can turn those countries loose to take care of their own defense needs. But we cannot do that, unless in this process we are aiding them to build up their industries so that they can do two things: First, produce their own military equipment, which is vital if they are to be able to fight; and, second, develop sufficient economic production so that they can actually live, in the next 2 years.

On this second point, the distinguished Senator from Nevada [Mr. McCARRAN] made clear a few days ago in a very important speech that he realizes from the separate studies he has made—and he has been very critical of the ECA—that the nations abroad could not be expected to arm for defense and set up these divisions unless they were reasonably assured that their economy would at least be maintained to the point where they could live. We cannot overlook that as a part of a security program. When people say we should cut out all economic aid, I say, with all respect, that they have not studied the matter sufficiently to realize that that cannot be done.

The suggestion was made that we cut out entirely the \$2,000,000,000 for economic aid, as provided in the original bill. It was then reduced to a little over \$1,000,000,000 for the European countries, and proportionately for other areas. When the suggestion was made that we eliminate all economic aid, I took the position in committee—and I was sustained—that we had to make some of the reduction in the military aid, and not reduce the economic aid more than one-third; so we took 5 percent from the military and 30 percent from the economic aid. We then studied the other areas of the world to see whether economic aid could be eliminated as to them without damaging the very program to which the distinguished Senator from Minnesota referred.

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

Mr. SMITH of New Jersey. I am glad to yield.

Mr. THYE. I was in Western Europe in the fall of 1949. I visited many of the same countries which were visited by the committee that went to Europe within the past 6 weeks. I have followed the ECA program, as the activities under it have been reported to us in the Senate. But I realized the importance of the program and understood it much better after I visited the countries and talked to men, whether in the small villages or in plants, and to the officials of the governments of the 14 countries visited.

I came back to the United States feeling confident that, through the European recovery program, we were proceeding to protect ourselves in North America. In North America I include Canada and other countries, such as Mexico. I felt that we were better able to protect ourselves here through what was being achieved by the European recovery program. I also felt that the moneys which we had advanced toward that program were paying us a very substantial return in this respect, namely that we were building strong governments in the countries of Western Europe. They were really weak and devastated; their economies were shattered and broken following the war, at which time they had suffered occupation by enemy troops. I felt definitely that through the European recovery program we were under way to aid the countries of Western Europe in resisting communism. That belief has been vindicated by every single election which has been held in those countries since the commencement of the European recovery program.

Mr. SMITH of New Jersey. I agree entirely with the Senator. There is no doubt in my mind, from the study of the ECA operations during its first years, that France and Italy were definitely saved from going behind the iron curtain. Many persons do not realize that, but it is a fact, and it can be verified by anyone who will visit those two countries and investigate in detail what has happened.

Those of us who are advocating the economic feature of this bill are not asking for a continuation of the Marshall plan as it operated during the first 3 years. We are prepared to say that we will wind up the Marshall plan; and, in a few minutes, I intend to offer an amendment for that purpose, and for doing it immediately, and also for the purpose of combining the economic program with military aid, so that it will be a combined economic-military program, and so that we will not continue the old ECA idea any longer.

We said we were going to end it within 4 years. We are ending it in 3 years. It was estimated at the beginning that it would cost \$18,000,000,000, but, for \$12,000,000,000, \$6,000,000,000 less, as the record will show, we have been able to accomplish what was needed on the purely economic side. Because of the Korean crisis, because of the threat of the overrunning of Europe, we realized what was needed was a new set-up and the North Atlantic Pact was drafted and agreed to, and an organization perfected under it.

Again, the problem is that of defense against the Russian menace, but we still have the economic features, as the Senator from Minnesota so well pointed out, which have to be met in connection with the purely military defense program, and the economic part of the program must be taken care of. I think that very careful study of this matter ought to be made by anyone who is considering an effort for further reduction in the amount of the economic support.

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

Mr. SMITH of New Jersey. I would like to say to the Senator that I have but a few notes here and I want very much to get through with them in a consecutive way and not be diverted too much. But I am always glad to hear from the Senator from Minnesota, or any other Senator, who wants to ask questions for the purpose of clarifying some of the points as I go along.

Mr. THYE. My only reason for desiring to make the comments I have made was that when the able and distinguished Senator from New Jersey was giving us an explanation of what the committees' action had been, and of how this program had developed, it so completely coincided with my own convictions, which have resulted from my study of the question, that I felt I would like to discuss a few of the very pertinent points with the able and distinguished Senator from New Jersey as he was developing the explanation of what the committees had in mind, in connection with the various phases of the European program, both with respect to the implementation of the countries which are aligned with us in the North Atlantic Pact, and also with respect to tapering off the economic aid to those countries.

I was a soldier in France in 1918. I served in the air service. I saw some of the European area. I was in Europe again in 1949. I could fully appreciate what devastation and what ravages the war had wrought upon France, Germany, England, and the other countries with which I was familiar in 1918.

Mr. SMITH of New Jersey. The Senator saw the dangers of economic dislocation; did he not?

Mr. THYE. Oh, definitely; and I therefore realized that, without the assistance of the United States in building back their economies, a man or a woman in any of those countries could not be expected to have the courage to go forth and fight the radicals, who were endeavoring to take over those governments, because they were afraid the radicals would come into power the next year, or at the next election, and that a persecution would then be begun against them and against their families. So the best elements in those countries did not dare enter into a critical campaign. The man with money did not dare invest his money, because he did not know whether the next election would find the radicals in power; and, if they were, they would confiscate the property. So there was an absolute standstill, both in political activities and in the economic activities of those countries, until we inspired them with new hope and courage by means of our European aid program. And that has now been augmented further by the North Atlantic Pact.

There are men and women there who, with their children, are determined to build up their countries so as successfully to resist communism, and Russia recognizes that fact. In the event the industrial potential of Western Europe were to fall to communism, in view of the great manpower strength of the communistic nations, there would be a

threat to all civilization—yes, a threat to Christianity itself.

That is what impresses me in the entire program, and in discussing it with my people in my own State I tell them that it is an investment, and that I am willing to support it on the Senate floor, in spite of the tremendous overhead burden of taxation with which this country is faced and despite what we shall have to appropriate in order that our own national defense may be such that we can meet successfully the threat of communism.

Mr. SMITH of New Jersey. The Senator agrees, does he not, that we should probably think very carefully before we go below the \$7,500,000,000 at which both committees have arrived?

Mr. THYE. Having sat in on all the hearings whenever it has been possible, having studied the question from every angle, and having taken into consideration the type of leadership we have in Europe in connection with the economic as well as the military development of those countries, I feel that the sum is not excessive, nor has it been cut to a point where it endangers our program. I think the committees have done well as to the figures at which they have arrived. If we go back a moment and consider what World War II cost us in the indebtedness it imposed upon the Nation, to say nothing of the blood of the youth of America which was spilled on the battlefield, we must realize that if we can in some manner build the Western European nations to a point where they can resist, and we can keep Russia from invading Western Europe, time is on our side in breaking down the communistic control of those countries.

If we can avoid world war III and the tremendous expense, both in manpower, resources, and dollars and cents which would be involved, if we can avoid that by an investment of \$7,500,000,000, if that will assist us in avoiding an all-out world war III, it will be one of the cheapest investments which we can possibly make.

It is for those reasons that I support the program and have supported it over the years.

Mr. SMITH of New Jersey. I will say to the distinguished Senator from Minnesota, that what General Eisenhower has done in the past months has, at least to my mind, and, I think, to the minds of those who were abroad, satisfied us on this point. The question as to whether the Western European people, in the light of their marginal economic conditions, and their discouragement as a result of the devastation of the last war, would be willing to set up their own ground forces, is the big point in which we are interested. We want to see Europeans defending their own homelands. That is what General Eisenhower has inspired in them—the willingness and the moral strength to organize their own divisions. Our part of that proposition includes granting economic aid to equip their own plants. It cannot be done all at once. We must be patient; we must not expect too much.

General Eisenhower gave reasonable assurance that the United States would

stand behind them if they would organize divisions, and we would do the equipping end of it to start the program going. We should be able to help them get started and then, at the appropriate time turn them loose on their own to take care of their own defense.

Mr. THYE. I thank the distinguished Senator for allowing me to interrupt him.

Mr. SMITH of New Jersey. I thank the Senator for his fine contribution, because it tends to bring out not only the part played by so-called military end items in the program but also the essential supplementary part which economic aid plays in building the whole program. Our program now is a defense program, and I hope there will be no further cutting of the amount we recommend for that purpose.

The second major point on which I had difficulty, the problem of administration of the program, is one on which I could not bring myself to be in full accord with the report of the Senate committee. I blame myself for this, because I was unfortunately called away when the committee was starting a study of the administrative set-up. I wanted to present at that time a number of studies which had been made as to the best way to establish the whole operation for economy and for efficiency. Our committee and the House committee were convinced that there was overlapping of jurisdiction in Europe. The State Department had one agency and the ECA had another, and they were running hither and yon, and the question was, What was to be done about it?

It so happened that 6 months ago a committee of interested and distinguished civilians in the United States was established, with Dr. Conant, president of Harvard University, as chairman. It was called the Committee on the Present Danger. They decided that they, as a group of businessmen, and eminent students of the problem, we might say, would study the whole question. They sent a special representative to Europe, a man whom I know very well, to study the organization. The committee returned with a strong recommendation that the way to deal with the situation was through a one-man administration.

From the time I read their report, and from my talks with General Eisenhower, General Gruenther, ECA officials, and State Department officers, I became convinced that the committee was on the right trail. So I offered an amendment to the bill which we were discussing, which was on all fours with the reports which had been made by the Committee on the Present Danger, and it was also very similar to the approach approved by the House.

I shall not go into the details now. Unfortunately, as I have said, I was called away and could not be present when the committee finally studied the subject. The bill as reported does not take the one-man administration position. It still leaves the multihanded arrangement. Possibly it may work all right, but I do not think I would be fulfilling my responsibility if I did not bring to the attention of my colleagues in the

Senate what I consider to be the advantages of this one-man administrator idea.

Therefore, I shall presently present amendments which I shall ask to have printed and put on the desks of all Senators. I am happy to say that in presenting them I am joined by the distinguished Senator from Ohio [Mr. TAFT], by the distinguished Senator from Illinois [Mr. DOUGLAS], and by the distinguished Senator from Tennessee [Mr. KEFAUVER]. All these Senators thought we should get the one-man idea before the Senate to consider. I shall be unable to be present to offer the amendments for a vote, but at the very least they can be presented for the RECORD to show that some of us are in favor of a one-man administration.

I am hoping that the amendments may be taken to conference, and that in conference it may be possible to work out a plan to meet the views of both Members of the House and of the Senate. I have talked to Members of the Senate about the matter, and am simply making a record now, because I do not want anyone to feel, should I be a member of the conference committee, that I am going back upon any action taken by the Senate. I think the position taken in the committee bill on this question is a debatable one. What we want is a centralization of authority that will insure economy, speed, and efficiency.

So, Mr. President, I ask that at the conclusion of my remarks today there be inserted in the body of the RECORD, first, what is called a Statement on Foreign Aid, presented by the Committee on the Present Danger, which develops this whole idea in more detail. It is the result of the study that I mentioned, including the special investigation abroad made by Mr. G. H. Dorris, whom I have known for years. He was the representative of that committee going to these countries abroad and studying these different interlockings and the best way to work out the matter. That is my first request for insertion at the conclusion of my remarks.

My second exhibit which I should like to have appear at the conclusion of my remarks is a statement on this whole matter which I requested from Mr. Tracy S. Voorhees, who was formerly Under Secretary of the Army. He has done a great deal of work in connection with military operations, so he certainly would be prejudiced in favor of the military side of this matter. He also is the vice chairman and executive head of the committee making the study which I have been discussing.

Mr. President, I think those two discussions are so clear-cut and cover the whole field so thoroughly that they should appear in the RECORD, in connection with my remarks on this subject.

The PRESIDING OFFICER. Does the Chair understand the Senator to make a unanimous-consent request at this time that the two items appear in the RECORD?

Mr. SMITH of New Jersey. I ask unanimous consent that the two documents be published in the RECORD at the conclusion of my remarks. I do not want

to embody them in the middle of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A and B.)

Mr. SMITH of New Jersey. Mr. President, as I stated a few minutes ago, my original intention was to offer the amendments and then have them acted on in the usual way. I cannot do that because I am called to go to the Pacific coast tomorrow with the delegation dealing with the Japanese Peace Treaty. But I feel that if the two amendments are on the desks of Senators some of my colleagues may feel that in the course of the debate it will be wise to call them up and that they be acted upon. They follow very closely the House version. There are a few changes, but they are close enough to the House version so that I am sure that, should they be adopted, there will be no difficulty in getting together with the House on the final bill. As I said, two Republicans and two Democrats are supporting the amendments, so they constitute an entirely bipartisan approach.

That, Mr. President, is what I wanted to present to the Senate today before I go on my other mission, pointing out that I am wholeheartedly supporting the pending bill, but with the deduction of about \$1,000,000,000 from the total budget request, so that the amount will be \$7,500,000,000. I believe from my studies and contacts with people concerned with this operation that we can live with that amount. We have got to think in terms of economizing these days. I have had long talks with the senior Senator from Georgia [Mr. GEORGE] and with the junior Senator from Colorado [Mr. MILLIKIN] on our side of the aisle, and I am convinced from what they tell me that we are in grave danger of serious inflation if we get to the place where we have an unbalanced budget. Therefore, in spite of my loyalty to this cause, I have leaned over backward to see if we cannot save a billion dollars out of this program. I believe we can, but I hope sincerely there will be no attempt made to reduce the amount further. The problem has been very carefully studied and we need the support of the entire Senate in going through with this matter, and especially in giving General Eisenhower a vote of confidence at this time, to show that we are behind him and that we are going to give him the means of implementation of his work in trying to set up those divisions in Europe—in making a collective defense program for the Atlantic area.

In making this European organization thought is being given to bringing the Germans in. In all those things progress is being made. But the question behind all this is: What is the United States going to do about the matter? We are going to give support. As many have said, however, we cannot go on indefinitely pouring out funds. Yet I believe that the contemplated 3-year program is in line with what should be done, and I have confidence it is in line with the setting up of a defense that can really meet the danger of a Russian aggression.

My final word is an appeal for this bill, with those two changes—the one in amount and the other to consider at least, in our deliberations in the next 2 days, the one-man set-up. I have placed material in the RECORD so everyone may know what the arguments are in favor of such a set-up. I am fully aware of arguments made on the other side that the one-man set-up is not wise.

Mr. President, I send to the desk in behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr. KEFAUVER] amendments to the committee amendment to the pending bill. These amendments have two purposes. The first and principal purpose is the creation of a one-man Mutual Security Administration to supervise the military and economic aid programs with the exception of the point 4 program. This agency would take over from the ECA, which would immediately cease to exist. The new agency would definitely end on June 30, 1954.

The second and subordinate purpose of these amendments is to raise the flexibility clause from 5 percent to 10 percent. What I mean by that is that we have a clause in title I of the present bill, the title which has to do with the Western European Atlantic Pact group of countries, which provides, that the President can shift 5 percent of the funds appropriated for Europe from the military to the economic appropriation, or from the economic to the military. I think in light of reducing the over-all total authorizations from \$8,500,000,000 to \$7,500,000,000, it would be wise to increase the discretionary flexibility, which could only be used to back up General Eisenhower, from 5 percent to 10 percent. If it seems wise to put a little more of the military money into production plants in Italy and France, for instance, we may be able to do so more readily under this amendment.

Mr. President, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr. KEFAUVER], I submit the two amendments, and ask that they be printed and lie on the table, and that the amendments may be printed in the RECORD at this point.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table, and, without objection, will be printed in the RECORD at this point.

The amendments are as follows:

On page 46, beginning on line 10, strike out subsection (b) and insert in lieu thereof the following:

"(b) Not to exceed 10 percent of the total of the appropriations granted pursuant to this section may be transferred between appropriations granted pursuant to either paragraph of subsection (a) whenever the Administrator determines that the funds so transferred will, by virtue of such transfer, be more effective in fulfilling the needs determined and certified by the Secretary of Defense pursuant to section 503 (a) of this act: *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*,

That, whenever the Administrator makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives."

On page 54, beginning on line 15, strike out from line 15 through line 11 on page 55 and insert in lieu thereof the following new matter:

"MUTUAL SECURITY ADMINISTRATION

"SEC. 501. (a) There is hereby established, with its principal office at the seat of the Government, an agency to be known as the Mutual Security Administration, hereinafter referred to as the Administration. The Administration shall be headed by a Mutual Security Administrator, 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 be responsible to the President. The Administrator shall have a status in the executive branch of the Government comparable to that of the head of an executive department, and shall receive compensation at the same rate.

"(b) There shall be in the administration a deputy mutual security administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the same rate as that payable to an under secretary of an executive department. The deputy mutual security administrator shall perform such functions as the administrator shall designate, and shall be acting mutual security administrator during the absence or disability of the administrator or in the event of a vacancy in the office of administrator.

"SEC. 502. (a) Except as otherwise provided in this act, there shall be transferred to the administrator the powers and functions conferred upon—

"(1) the administrator for economic cooperation by the Economic Cooperation Act of 1948, as amended, and other public laws, except that the powers and functions conferred on him by the Far Eastern Economic Assistance Act of 1950 and by sections 115 (1) and 117 (a) of the Economic Cooperation Act of 1948, as amended, shall be vested in the President.

"(2) The President by the Mutual Defense Assistance Act of 1949, as amended, and the Act of May 22, 1927, as amended, except the power to conclude international agreements, the power to make appointments by and with the advice and consent of the Senate, and the powers enumerated in section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended; and, in the case of aid to countries covered by titles II, III, and IV of this act, such powers and functions as the President shall direct to be exercised by the Secretary of Defense.

"(b) The following agencies and offices shall cease to exist:

"(1) The Economic Cooperation Administration and the offices of Administrator and Deputy Administrator for Economic Cooperation;

"(2) The office of United States Special Representative in Europe and of Deputy United States Special Representative in Europe created by the Economic Cooperation Act of 1948, as amended;

"(c) Any personnel, upon the certification of the Administrator that such personnel are necessary to carry out the functions of the Administrator, and all records and property which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Administrator by this act, shall be transferred to the Mutual Security Administration; *Provided*,

That personnel transferred pursuant to this subsection shall continue to enjoy the same civil service status as they had prior to transfer.

"SEC. 503. (a) In the case of aid to countries eligible for assistance under title I of this act, including Greece and Turkey, the Secretary of Defense shall determine, and certify to the Administrator from time to time, the needs of such countries for military end items and military facilities to carry out programs of individual and collective self-defense approved by the United States Government. The Administrator shall be responsible for making continuing studies of the capacity of such countries to produce military end items for themselves and for each other, and shall take all necessary and reasonable action (including necessary assistance pursuant to section 101 (a) (2) of this act) to assure the maximum production of such items by such countries, consistent with the security interests of the United States as determined by the Secretary of Defense. Any such items which the Administrator concludes cannot be produced by such countries, or which the Secretary of Defense determines should, in the interest of national security, be produced in the United States, shall be procured by the Secretary of Defense; and the Secretary of Defense shall be responsible for the delivery of such items and for assuring their ultimate use in accordance with military programs approved by the United States Government. For the purposes of this act the term 'military end items' means such goods and services and related technical assistance, advice, and training as the Secretary of Defense determines are required for direct military use by the Armed Forces receiving such materials.

"(b) In accordance with the provisions of the above subsection, the Secretary of Defense shall have primary responsibility and authority for—

"(1) the determination of military end item requirements;

"(2) the procurement of military end items;

"(3) the establishment of priorities in procurement and deliveries and the allocation of military end items between services and countries;

"(4) the supervision of end item use by the recipient countries;

"(5) the supervision of the training of foreign military personnel; and

"(6) the movement and delivery of military items.

"COORDINATION OF ACTIVITIES

"SEC. 504. In order to strengthen and make more effective the conduct of the foreign relations of the United States, and to carry out the purpose of this act—

"(1) the Secretary of State, the Administrator, and the Secretary of Defense 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 Secretary of Defense believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the military security 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; and

"(4) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State or the Secretary of Defense in performing functions under this act, is inconsistent with the purpose and provisions of this act, he shall consult with the Secretary of State and the Secretary of Defense as appropriate and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"MEMBERSHIP IN OTHER AGENCIES

"SEC. 505. (a) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (50 Stat. 512), is amended by striking out 'Economic Cooperation Administration' and inserting in lieu thereof 'Mutual Security Administration' and by striking out 'Administrator for Economic Cooperation' and inserting in lieu thereof 'Mutual Security Administrator.'

"(b) Clause (6) of the fourth paragraph of section 101 (a) of Public Law 253, Eightieth Congress, as amended, is hereby further amended by inserting after 'Munitions Board,' the following: 'the Mutual Security Administrator so long as the Mutual Security Administration shall continue to exist.'

"(c) For so long as the Mutual Security Administration shall continue to exist the Administrator shall be a member, ex officio, of the Board of Directors of the Export-Import Bank of Washington, established by the Export-Import Bank Act of 1945 (12 U. S. C. 635).

"REGIONAL MUTUAL SECURITY REPRESENTATIVES

"SEC. 506. (a) There shall be a United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate, (2) 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 (22 U. S. C. 801-1158), and (3) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator and receive his instructions from him, and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to among the Administrator, the Secretary of State, and the Secretary of Defense in order to assure appropriate coordination as provided by section 503 of this title. He shall coordinate the activities of the chiefs of such special missions provided for in section 507 of this title as may be placed under his jurisdiction by the Administrator. He shall keep the Administrator, the Secretary of State, the Secretary of Defense, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for herein fully and 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.

"(b) There shall be a Deputy United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate; (2) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the act of August 13, 1946; and (3) have the rank of ambassador extraordinary and plenipotentiary. The Deputy shall perform such functions as the United States Mutual Security Representative in Europe shall designate, and shall be Acting United States Mutual Security Representative in Europe during the absence or disability, or in the event of a vacancy in the office, of the Representative.

"(c) The Deputy United States Representative North Atlantic Council and the United States Mutual Security Representative in Eu-

rope shall keep each other fully and currently informed concerning their activities.

"(d) When necessary to carry out the purpose of this act, the President is authorized to appoint not more than three additional Mutual Security Representatives and three Deputy Mutual Security Representatives for other regions in accordance with the applicable provisions of subsection (a) of this section. Any Mutual Security Representative appointed pursuant to this section shall be entitled to receive the same rank, compensation, and allowances as the highest ranking chief of any United States diplomatic mission in the region.

"SPECIAL MUTUAL SECURITY MISSIONS ABROAD

"SEC. 507. (a) Except as provided in subsection (e) of this section, the Administrator may establish in each country receiving assistance under this act a special mutual security mission under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this act. 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; and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the act of August 13, 1946, or compensation and allowances in accordance with section 501 (d) of this act, as the Administrator shall determine to be necessary or appropriate.

"(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 Mutual Security Representative. 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) With the approval of the Secretary of State the Administrator may, if he deems it appropriate, direct that the functions of the chief or deputy chief of the special mission in any country be assumed by the chief of the United States diplomatic mission in that country. In such cases the chief of the diplomatic mission shall report to the Administrator, and shall receive directions from him, with respect to carrying out functions relating to the purpose of this act.

"(d) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Mutual Security Representatives and their staffs, and for each special mission, as may be agreed between the Secretary of State and the Administrator.

"(e) With respect to any of the zones of occupation of Germany and Austria 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 purpose of this act."

On page 55, line 13, renumber section 503 as section 508.

On page 56 strike out all after line 21 through line 16 on page 57.

On page 57 line 18 renumber section 505 as section 509.

On page 57, lines 22 and 23, strike out "by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604)" and insert in lieu thereof "on the Administrator by this act."

On page 58 strike out all after the word "authority" on line 12 through "amended," on line 13, and insert in lieu thereof the words "of the Administrator under this act."

On page 58 strike out all after line 18 through page 59, line 11, and in lieu thereof insert the following:

"(c) Section 122 of the Economic Cooperation Act of 1948, as amended, and subsection (d) of section 405 of the Mutual Defense Assistance Act of 1949, as amended, are hereby repealed."

On page 59, line 13, renumber section 506 as section 510.

On page 60, line 11, strike out section 507 and insert in lieu thereof the following:

"SEC. 511. All provisions of this act except sections 502 and 508 shall take effect upon the date of its enactment. Section 508 shall take effect 90 days thereafter, and section 502 shall take effect on such date, not more than 60 days after the date the Administrator first appointed takes office, as the President shall prescribe."

Beginning on page 60, line 14, renumber all the remaining sections to conform with the foregoing amendments.

On page 63, line 18, and on page 64, line 3, strike out "President" and insert in lieu thereof "Administrator."

EXHIBIT A

A STATEMENT ON FOREIGN AID BY THE COMMITTEE ON THE PRESENT DANGER

WASHINGTON, D. C., June 18, 1951.

Based on a thorough, non-partisan, objective study which it has submitted today to the Congress and to the national administration, the Committee on the Present Danger believes that an appropriation of the general order of magnitude of the \$3,500,000,000 proposed by the President for foreign aid to resist Soviet aggression should be adopted as quickly as possible.

Quick and decisive action by the Congress would be the most effective notice to Russia that the free world is determined to remain free at any cost. We are convinced that America has the ability to supply these funds without danger to its economy. We believe it is in the highest interest of American security that they be provided at once.

Military aid and economic aid are, under present conditions, essentially the same. They are now parts of one program: to make our allies in all parts of the world strong enough to stand together and prevent the spread of aggression.

Both forms of aid should be administered by the same agency, which should not be a part of any existing Government department. In it should be placed the administration of all existing economic and military aid as well as the point 4 program. It should take over the functions and personnel of the Economic Cooperation Administration and of the units of the State Department engaged exclusively in this work.

The two kinds of aid are inseparable. Both are really economic assistance; but both are principally for a military purpose. One consists largely of military equipment produced in the United States and the other is for the most part assistance to make possible greater military production in the recipient countries. It is only through one agency handling both kinds that waste and dupli-

cation can be avoided, and intelligent, effective coordination made possible.

A single agency can better answer the many questions which have to be answered: the extent of the need in each country; whether that need can be filled better by military items or by civilian items; the extent of the ability of each country itself to produce and service items, military or civilian; the ability of our own resources to supply the needs, and the best way our resources can be so used in any particular area; what help can be interchanged between two foreign countries themselves. These questions—difficult as they are—should not be made more difficult by splitting and duplicating responsibility in budget making and administration.

Of course the single agency must operate within the broad limits of our foreign policy, which is the responsibility of the State Department, and within the military policy laid down by the Department of Defense, but its administration at home, and through its offices abroad, should be independent, as ECA has been.

Under this plan the Defense Department would still do in effect what it is now doing. All funds for procurement of military items in the United States would continue to be allotted to the Defense Department for procurement through its regular channels.

Our foreign aid, since the close of the war, has prevented the economic collapse of nations which now stand at our side in the fight against communism. Without it, the people of many of those countries would have lost their freedom through the spread of Communist doctrine. Those peoples have been saved mentally, spiritually, and economically. We must now help them save themselves physically against aggression. That is the mission of General Eisenhower in Europe. Unless we back him up with the weapons of war, the armies which he commands will be helpless. And if those nations should fall before a Soviet attack, we know what a dangerous and unbearable future we Americans would face.

Bold action now in the form of military and economic aid will—

1. Continue to bolster the morale of the beleaguered people of Western Europe and defeat the communist propaganda which now seeks to divide and conquer them.

2. Provide the military strength in Europe which will discourage the Soviet Union from attack—or provide successful resistance if it does attack.

3. Enable countries in other parts of the world better to help themselves, especially so as to assist them to provide the strategic raw materials so necessary to defense.

4. Enable the free peoples of the world to carry out their will to live in democratic peace.

This is not primarily a project of humanitarianism. It is a project of self-interest for America—of the highest and most pressing urgency. This is the best means of self-defense. While we are gathering our strength in arms and in manpower, let us again show our allies and our enemies our unshakable determination to see this thing through from now on—to do whatever is necessary to avert a major war and to maintain freedom in the world.

The unanimous report of our subcommittee on Foreign Aid and a statement of the objectives of our committee are attached.

COMMITTEE ON THE PRESENT DANGER,

JAMES B. CONANT, *Chairman*.

TRACY S. VOORHEES, *Vice Chairman*.

REPORT OF THE SUBCOMMITTEE ON FOREIGN AID OF THE COMMITTEE ON THE PRESENT DANGER

This report deals with (a) the need to transfer a portion of the resources of the United States to supplement those of other nations to effect vital common objectives,

and (b) how the United States can best administer appropriations made for such transfer.

The conclusions we are here expressing are based on an examination, the results of which are set forth in much more extended form in a separate study.

THE PROBLEM AS WE SEE IT

What we are now considering is the transfer of resources to enable the other nations to do more toward our common objectives of security than their own economic resources would permit.

During the past 11 years we have provided foreign aid in the form of food, materials, equipment—military and otherwise—and credits. But for such transfer during World War II, the civilian economies of England and other allies could not have been sustained. They could not have put in the field the armies that they did.

In 1948 Congress felt that it was necessary to systematize the effort to rebuild the economic strength of European nations whose fate was felt to be interdependent with our own, so that these nations could resist Communist subversion and again play an effective part in the community of nations. This aid so stimulated the efforts of the stricken countries that there was promise that, earlier than Congress had anticipated, there might be no necessity for continuing it.

Instead, the development of the atom bomb by Russia, and the rising threat of armed aggression, have imposed a new strain on the resources of the European countries which have bound themselves together with us for common defense in the North Atlantic Treaty. Instead of the economic gap being closed, it has again been widened by the new need of great outlays for defense of freedom against armed aggression.

Further, Greece and Turkey, not yet parties of the North Atlantic Treaty, and other countries, still need assistance to support civilian economies and equip armies, both essential to the common security.

Recognizing this new armed threat, Congress in September 1950 stepped up its appropriations for foreign aid greatly; furnishing \$4,000,000,000 largely in military items.

Further, the rising tide of Russian imperialism has now engulfed a vast area of Europe and Asia from the Elbe to the Pacific. With its threat to overflow all the boundaries of the tremendous periphery of this area, there has also come to be a sense of the common interest and interdependence in peril of substantially all other areas of the world. That threat is not alone of military action. It is also of subversion. And it is effective even at distances physically remote.

Underdeveloped countries, with standards of living so low as to be intolerable in other areas, are such danger spots. But, given the application of new techniques and some inflow of capital, these countries are capable of making a vast and needed contribution to their own welfare and that of the rest of the free world. Aid to them to increase their production of strategic and other raw materials, stocks of many which are diminishing, can be of vital help to them and the common effort. This problem is one of long range and of a magnitude not to be dealt with in a day. But Congress has recognized it in modest appropriations for technical assistance, and, indirectly, through capital contribution to the International Bank and through appropriations to the Export-Import Bank.

The current world situation confronts the Congress and the Nation with the necessity for a decision as to whether we shall reinforce our present policy—national and bipartisan in its genesis and execution—to prevent the undermining of the whole structure for security which we have reared with so much effort and sacrifice and make

positive efforts to build the foundations on which a structure of enduring peace alone can rest.

If it is our Nation's decision to do so, then, within our ability, appropriations adequate to effectuate it, are essential.

It is our belief that world war III can be averted only by confronting the aggressor with a strong free world. Korea has underlined the need for this. It is, therefore, a matter of paramount importance that we should go through with our present bipartisan national policy of building up joint European defense forces at the earliest possible date. At the same time, economic strength must also be built because it is not only an essential component of military strength, but also the most effective defense against Communist aggression from within.

To create a strong free world will require that all the nations concerned make full use of their resources to help themselves and to help each other. The United States is by far the strongest nation. As such it is called upon, in its own and the common interest, to furnish the other nations—within its ability and other needs—such aid from its resources as may be required to—

(a) Enable its allies to create and maintain planned military forces larger and more effective than their resources would otherwise support, and equally important, the economic strength essential both for military power and for morale (since we are a member of an alliance, the effectuation of the mutually planned defense of our allies is as much a part of our own defense as is our more direct United States military expenditure);

(b) Counter subversion in vital areas;

(c) Secure an essential increase in production of certain strategic or other raw materials in certain areas for our own and the common use;

(d) Furnish some temporary refugee and famine relief;

(e) Increase productivity by technical assistance and otherwise in economically backward areas whose progress is a vital part of the effort essential to win the peace.

This report attempts to deal with basic principles rather than the precise amounts that may be needed for specific areas and purposes.

In our separate detailed study we discuss possible yardsticks that may be applied to determine the existence and measure the extent of such needs. The fundamental of the matter is to ascertain whether, for other nations to accomplish results which we regard as essential to the common security, there is a gap beyond what they can do with their own resources; and if so, what is the extent of such economic gap.

OUR ECONOMIC ABILITY

Have we the economic ability to furnish such resources? We believe that the amount of this security expenditure proposed by the President can be met. This view finds strong support in recent reports of the Office of Defense Mobilization. We develop the matter further in our study, but note here that the total sum requested is only 12 percent of our budget for national security and is just as truly a necessary defense expenditure as the appropriation for our own forces. Its purpose is not only foreign aid but American defense.

Without endorsing any specific amount as requisite, it seems apparent that an appropriation of the order of magnitude proposed by the President is an essential step toward carrying out the plans we have joined in formulating under the North Atlantic Treaty and also the successful conduct of the broader struggle for survival in which we and the rest of the free world are engaged. The consideration of supreme importance is that this country furnish the aid required for these purposes. We recommend accordingly.

ORGANIZATION

We come now to the secondary question—that of organization. The administration of foreign aid is a novel function which does not fit into the traditional pattern of any of our long-established departments. This was recognized in the Marshall plan as to our then major effort. The same principle, in our opinion, applies equally to the whole of the aid program we are now planning.

THE EXISTING SPLIT IN ADMINISTRATION

At present the responsibility is split up primarily between the Economic Cooperation Administration and the State Department. This has led to the administration of economic assistance by different organizations in the same area under different appropriations—particularly the ECA and State Department. Also a type of assistance which one organization has handled successfully in certain areas may be initiated and administered in other areas by a different organization.

The present division in administration has come about in this way:

(a) In 1947 Congress appropriated funds for what it described as "financial and economic assistance" to Greece and Turkey. This included military equipment as well as other forms of such assistance. The administration of this appropriation along with certain temporary relief funds in certain other areas was placed by the President, under discretion given him, in the State Department.

(b) In 1948 we embarked on a large scale program of cooperative assistance to be rendered over a period of years and involving billions of dollars. Congress, after careful consideration, and in accord with important extra-governmental opinion, determined that the administration of this novel function should be in a new temporary and independent organization rather than in the State Department or any other existing Department. Accordingly, the Economic Cooperation Administration was set up as an independent and coordinate organization.

(c) By way of exception to this general plan for the administration of such assistance, the Army continued to administer progressively smaller appropriations in progressively narrowing occupied areas. Further, the State Department, under assignment by the President, continued to administer relatively small appropriations for economic assistance to Greece and Turkey, in the form of military equipment procured in the United States. This, though it may have been an anomalous function for the State Department to perform, resulted, by reason of its minor scale, in no important conflict with the administration of the broader program of economic assistance in the same areas.

(d) The mutual defense assistance appropriation in 1949 for aid to North Atlantic Treaty countries was assigned by the President to the State Department. With the enormous post-Korean increase in such appropriations, the split in the administration instead of being minor became major both in extent and seriousness. The industrialized areas of Western Europe, unlike Greece and Turkey, were capable of producing military equipment, and there were strong reasons for seeing to it that much of it was produced there. Whether it was practicable and preferable to produce an item or part of it there or in the United States involved knowledge of the European economies and questions of financing. Further, the question of the existence and extent of the economic gap and the best way to fill it was an over-all question which could not be properly answered and budgeted independently by two separate organizations, State Department and ECA, administering two separate appropriations for assistance.

(e) Congress in 1949 made a significant approach to the pressing but long-range

problem of productivity in the underdeveloped areas—a problem vital to them, and to us, in our objective of a free and peaceful world. But administration of this new appropriation for this purpose was placed in the State Department instead of in the economic organization already engaged extensively in that type of work.

We now have a new campaign to fight. We need the organization best adapted to win it. The present split in administration becomes more serious and the reasons for new measures to end it more pressing.

Persistent and useful cooperative efforts have been made by those actively engaged at top level to overcome the difficulties inherent in the existing split in administration. There have been various useful devices such as the operation of a coordinating committee including State, Defense, and ECA, among others.

A wide range of further modifications in organization for administering the proposed appropriations have been under discussion in the Government and by the public. Naturally and properly, Congress is looked to for the final determination as to the form of administration which it believes will most effectively apply the appropriations it makes. No doubt all concerned will lend their best endeavors to effectuate its decision.

In this fluid situation we venture to advance the conclusions we have arrived at from our own observation of the matter.

We recommend (a) a single appropriation for foreign aid administered by a single agency of the Government, and (b) that such agency be independent of, though cooperating closely with other departments.

A. Unification of administration

The particular need in particular areas for assistance from our resources may vary widely. The form in which we can best apply that aid may also vary widely. But we are dealing with a single function and a single test. Are there things which, for mutual security, it is imperative should be done in and by other nations, which are beyond their unassisted economic ability to do? What is the measure of the additional resources which would enable these things to be done? Is it within our economic ability to provide such assistance from our resources, in view of the other demands upon them and within the general policies of Congress and the Executive? In what varying forms can they be supplied most effectively in a particular area?

The examination of these related questions, tying them together in the formulation of budgets, and programing the funds appropriated by Congress is a difficult enough task at best. It is desirable to center and fix rather than diffuse or split responsibility for getting it done.

It would ignore these fundamentals of the task to attempt to split up its administration on the fortuitous basis of the extent to which the assistance found necessary is actually furnished in the form of military equipment or in other forms.

The initial determinations have first to be made (1) as to whether there is an economic gap which reasons of mutual security require to be filled and (2) its extent.

To make each of these determinations soundly requires knowledge and review of the situation in the various areas looked at separately and as a whole. To attempt to duplicate such fundamental determinations by different administrations, one dealing with military end items and one dealing with technical or other forms of economic assistance, would not appear sound administration, even if it could be done. As a practical matter, neither of two administrations, each charged with using a particular form of economic assistance to fill a gap in the economic resources of a particular nation, could know the extent to which it needed to extend its form of assistance without first knowing what the extent of the whole gap

was and to what extent it was being closed by the other. If we undertook to apply the whole amount of the assistance by taking over the equipping of a nation's troops, the resulting freeing of its economic resources for the civilian economy might well enable it to pay for all needed raw material, technical assistance, and other equipment. And, in reverse, if we applied our aid entirely in the other forms, such nations might well be able to pay us for any military end items needed to be produced in the United States. Attempts to deal with such a situation solely by cooperative efforts hardly seem a satisfactory substitute for single administrative responsibility to make such determinations promptly and to make them in a way to best effectuate national policies.

That so-called "military aid" is essentially a form of economic aid has come to be generally recognized. Under the original Greek-Turkish Assistance Act, military equipment, military and civilian supplies and credits were furnished. Congress was right, as we have pointed out, in describing all aid in that act as "financial and economic assistance." Now in Europe, under the economic strain of an enlarged troop basis it may well be said that all the assistance for which appropriations are being asked is in one sense military aid, as well as being economic aid. The immediate occasion is military—the means to this end in whatever form are economic. It would seem desirable to furnish this assistance in a single appropriation and to provide for flexibility in its administration by a single agency.

To do this job, as to Europe, the first step is to appraise the extent of the aid needed to maintain (1) the agreed troop basis and, equally important, (2) the essential supporting economies beyond the amounts which their resources enable the recipient nations to furnish for themselves. This is a task for a unified administration with economic missions in the various countries, enabling it to gauge available economic resources.

A second step which again seems to call for a unified administration is the determination as to what military supplies and equipment can be produced in Europe. Clearly with the present burden on our economy, as well as for morale reasons, full utilization of European productivity should be made. What should be done is to produce in Europe to the full extent economically efficient to do so, and to supplement this by United States production where advisable for security, time table or other special military reasons. Further, if large amounts of United States procured items are to be included, Europe needs to build up industrial facilities for servicing of such equipment.

Again, for another reason, there should be no separation in over-all administration as between complete military end-items on the one hand and so-called economic aid on the other. Under an imaginative administration much equipment needed should unquestionably be composed of parts produced in the United States and other parts produced in Europe and assembled there. A single administration of the entire fund should be better able to exploit these opportunities to conserve the common resources.

Again, such a unified administration might well be able to accelerate European production of various items by making or providing for direct contracts in Europe for their production. By such contracts, financial aid, and financing mechanisms, it should be able to bring into fuller use the idle manpower and idle facilities in some European areas.

Other vital factors emphasizing the need of a unified administration are the necessity for over-all world planning for the necessary production, recognizing the interdependence of the various areas referred to above. Just as ECA in Europe has been able to furnish much of the aid for cer-

tain nations by arrangements with other recipient countries, so on a global basis a unified administration could achieve an efficiency and economy in the program now before us which could not be expected of a split-up administration. The placing of the administration of all foreign aid in a single agency would give a far stronger position with the respective countries, when occasion requires it, as to the measures each would take for the common security. If a foreign country was to go to separate agencies, it naturally tends to maximize its demands to each. Unification should both speed up the result and decrease the ultimate cost to the United States.

Finally, we are engaged in a crucial task in underdeveloped areas. In some of these it is touch and go whether the situation may not set off a world explosion. We are endeavoring to build up their strength. We have already referred to the vital importance of building up their raw material output. The amounts we are applying are relatively not large as compared with the whole program. But perhaps in no area can a dollar, if properly applied, go further. A unified administration of foreign aid can bring to bear on each area a knowledge of its interrelationships to others. It can also bring its experience with similar problems in other areas. It should be able to furnish to Congress a useful picture and grasp of the problem as a whole.

It is the examination of these problems that has convinced us of the need for a unified administration, and the inherent unsoundness and likelihood of wastefulness of the split administration which has grown up primarily because of historical accident. Congress is now clearly furnished the opportunity to build a modern tool designed to do the job ahead on the principles it recognized in the first Greek-Turkish Aid Act and developed in its ECA legislation.

AN INDEPENDENT ADMINISTRATIVE AGENCY

We recommend this, and propose that the Administrator have Cabinet rank, as Congress provided for ECA.

The relationship between State and such administrator would then follow the ECA precedent.

The Defense Department's relationship to the new administration would be essentially the same as Defense's present relationship to State in the mutual defense assistance program. Defense would do in effect what it is now doing. It would supply the data as to what equipment is necessary for the proposed troop basis of our allies, its cost, the necessary timetable for its delivery, the fitness of facilities to produce a particular item, the items which as a matter of security must be produced in the United States and the availability in the United States of facilities to produce items needed to be produced here for reasons of timetable or security. All funds for procurement of military items and parts in the United States would be allotted to the Defense Department for procurement through its regular channels, as is done now.

In making our recommendation for such independent administrative agency we have had in mind that—

(a) In the adoption of the Marshall plan, after exhaustive hearings and debate, the Congress determined that the vast expenditures contemplated for that new function could best be administered by a new agency independent of other departments, headed by an administrator of Cabinet rank reporting directly to the President.

(b) ECA achieved success in securing the corporation of other governments. This was done, moreover, while strengthening our foreign policy in Europe rather than weakening it through divided authority as some had feared. Further, it has been authoritatively stated that in no instance was it necessary to refer to the President any disagreement between the Administrator and the Secretary

of State on a matter affecting their respective functions.

(c) The fact that the new reason for our now furnishing assistance to some countries is primarily to enable them to meet the military threat to all of us does not change the fundamental of the organizational problem. We are just as much faced with problems of business administration of great magnitude and complexity. The precedent and reasons for an independent organization are in this situation no less applicable.

(d) The Hoover Commission put forward for consideration a proposal that the administration of foreign economic aid and other overseas programs be merged in one organization independent of the established Cabinet departments and reporting to the President.

(e) The Gordon Gray report recommended that at least for all aid other than military equipment, there should be a single administration not a part of any Government department.

(f) The Rockefeller Commission recommended a single administration for foreign aid and other overseas economic activities.

PROPOSED SET-UP

The unified administration should have a title appropriate to its broad functions—to illustrate, Mutual Security Administration. It would exercise the responsibilities for the administration of the appropriations for foreign aid now respectively exercised by the State Department and the ECA. It would take over the rights and obligations under the contracts and agreements including those under existing bilateral agreements with foreign countries heretofore entered into by existing agencies and now outstanding.

We are dealing with going concerns. The unification could and should be effected without interruption in their activities. Into the unified administration would be merged the skilled and experienced personnel of the ECA and those in the State Department who are exclusively engaged in the administration of the military-assistance program, point 4 activities, or other foreign aid. The present ECA organization would, of course, be the core of the new set-up. The personnel in the Defense Department and other personnel in the State Department concerned with the administration of foreign aid would continue in their respective departments to carry on the important functions of those agencies appropriate to their respective roles in foreign-aid matters.

The Administrator would necessarily carry on his function of the budgeting, programing, and actual application of this aid within the four corners of the established policies of the Government—political, military, financial, and economic. The National Security Council and its staff might well have an increasing part in the formulation and clarification of the over-all policies applicable to mutual security assistance.

Direct responsibility for effective administration of the task should be in the Administrator. However, it is clear from the variety of factors involved in successful administration that the Administrator would have to work in the closest cooperation with the appropriate representatives of the State and Defense Departments at the country level, at a regional level, such as Western Europe, and finally, in Washington with representatives of these and other governmental agencies, such as Treasury and Defense Mobilization.

At the country level the relationship with the State Department would be through the Ambassador, and with the Defense Department through the local military mission.

At the European level the instrumentality of such consultation might well be the existing European Coordinating Committee. It would be important to preserve and

strengthen the present participation of both the United States Deputy on the North Atlantic Treaty Council and of the top military command in Europe and the staff of such committee. Further, the tie-in of the Administrator and his European deputy with the North Atlantic Treaty Organization in that area would need to be particularly close so as to get the full benefit of its Defense Production Board, with its international executive staff, and of the Finance and Economic Board of NATO. The Administrator should also be in a position to avail himself to the utmost of the Organization for European Economic Cooperation (OEEC), of which certain members are not members of NATO.

At the Washington level the organization for exchange of information and consultation should include representation of State, Defense, Treasury, the Office of the Special Adviser to the President, the new unified aid administration, and the Office of Defense Mobilization. This would be in general similar to the representation upon the present International Security Affairs Committee. It might well have a functional relationship with the National Security Council.

Effective relationships of the Administrator with the Office of Defense Mobilization would be vitally important for the success of the foreign-aid program. The availability of raw materials and other economic resources of the United States to the economies to which we are furnishing assistance can go far to make or break these programs. The Administrator would be the appropriate claimant agency with the Director of Defense Mobilization on these matters.

In the NATO area there would be another prime factor in the duties of the Administrator. There the test of the success or failure of the administration would be its effectiveness in meeting General Eisenhower's objectives—the equipment of the troops of the various nations called for by his plans, on the time schedule stated, with the maintenance of the economy at a level requisite for their support and morale.

In view of General Eisenhower's international position, any formal participation by him or his staff in the unified administration would appear impracticable. But a primary function of the Administrator should be (a) to see that General Eisenhower is kept currently supplied with information as to the budgeting, programing, and execution of the provisions for aid in the NATO area, and (b) to satisfy General Eisenhower in his administration of these matters.

THE OVERRIDING CONSIDERATION

While the foregoing seems the soundest organizational structure, the consideration of supreme importance is that this country give the aid to General Eisenhower in setting up the forces in Europe called for in the joint defense of the free world and also give such other aid as is vital elsewhere. Therefore, while we recommend an organization which we believe will be more economical in operation and sounder in structure than the split administration now existing, we also recommend that an appropriation of the order of magnitude proposed be supported unreservedly under whatever form of organization the Congress determines to be most effective. For organization, while important, must be considered as secondary to the over-all objective of furnishing the sinews necessary, in whatever form, to enable our allies to participate with full effectiveness in the joint defense and to take the broader measures in all areas required to win the peace.

FRANK ALTSCHUL,
R. AMMI CUTTER,
GOLDTHWAITE H. DORR,
PAUL G. HOFFMAN,
THEODORE W. SCHULTZ,
TRACY S. VOORHEES,

Subcommittee on Foreign Aid.

EXHIBIT B

AUGUST 9, 1951.

STATEMENT ON FOREIGN AID SUBMITTED BY TRACY S. VOORHEES FOR THE COMMITTEE ON THE PRESENT DANGER

The Committee on the Present Danger is a nonpartisan group of private citizens. In the absence from the country this month of the committee's chairman, Dr. James B. Conant, I am making this statement for the committee as its vice-chairman.

Of the \$8,500,000,000 of foreign aid proposed, about \$7,000,000,000 are for the European area, including Greece and Turkey. Virtually all of this is in reality aid for military purposes. Some of it is called economic aid, but is for the specific purpose of enabling the recipient countries to strengthen their defenses. Although amounts for Iceland, Western Germany, Austria, Trieste and Greece are not specifically for such military purposes, support of the economies of each of these critical areas is as essential to the program for defense of Europe as direct military aid, and must realistically be considered as part of the same package.

Including all geographical areas, almost \$8,000,000,000 of the total of \$8,500,000,000 requested are essentially for military purposes.

As Americans, we naturally do not want any more of our forces stationed in Europe than is necessary to make General Eisenhower's defense program realistic and successful. The logical answer is to furnish the aid necessary, above what the Europeans can do for themselves, to equip expeditiously the European forces forming part of the joint army under General Eisenhower. For these reasons, the Committee on the Present Danger earnestly supports an appropriation of the general order of magnitude proposed. We believe that this is true economy, noting that General Eisenhower is quoted in The New York Times of August 8 as saying that a "sure way of getting half the results for twice the cost is to make Western rearmament a longer effort than it has to be."

The Secretary of Defense has made clear that to accomplish the necessary military objectives, foreign aid programs over the next 3 years will be required totaling some \$25,000,000,000. Of this, the present requested appropriation is, therefore, but one-third. Bearing in mind General Eisenhower's emphasis on the need for speed to decrease the danger of a major war, we feel that there would be no true saving in reducing the present appropriation. True savings can arise, however, from efficient administration which will obtain the greatest possible productivity for defense from the recipient nations and their maximum assistance to each other, both military and economic. This is possible through centralized management of all United States aid to them.

Our committee believes that the overriding consideration is the granting of an appropriation of the general order of magnitude proposed; that organization while important is secondary to the over-all objective of furnishing the sinews necessary for the joint defense. Subject to this, our Committee recommends a centralized organization to administer both kinds of aid as the most efficient setup. We believe also that such a form of organization will facilitate obtaining the appropriation.

Among the reasons favoring such organization are:

1. It follows precedent. The relationship of ECA to State was established after long Congressional study. Forebodings that this would cause serious difficulties did not materialize. Facing now an even larger program, why should we abandon a relationship which has worked well? Why should such aid be placed under the supervision of the State Department when Congress was unwilling so to place the Marshall plan aid?

2. It puts the business of foreign aid on a business basis. Experience has repeatedly shown that the way to obtain fast, efficient action in such matters is not through committee control and divided authority, but by giving the funds, the authority and the responsibility to one good man with power and answerable to the President. The task ahead is an operating job for a business operator to be carried on subject to the foreign policy established by the State Department. The nonpartisan, energetic business direction of the ECA program produced results. Who would believe that this could have been done as fast or as well under the control of a "coordinating committee" representing four departments or agencies?

3. Such centralized authority over both forms of aid is needed to determine what total assistance each country needs. So-called military and so-called economic aid are interdependent. More of one requires less of the other. Both are in reality, in the principle European countries, economic aid for military purposes. With separate agencies directing the military and economic aid, there is no way, except through committee control over both, even to determine the amount of total aid really necessary. Such a method involves either delay or waste—or both.

4. Such centralized authority is necessary to stimulate, as a condition of any United States assistance, the maximum reasonable financial contribution to defense from each recipient nation's own budget. Now aid comes from two different United States sources, coordinated only by a committee. We must have a true mutual program, not a United States give-away program.

5. Such centralized authority is necessary to determine how much each recipient country can produce itself of military items with some aid from us. Certain European economies, such as Germany, Italy, and others, are far from fully used for this purpose at a time when United States production goals are creating serious inflationary pressures on our home economy. Only an administrator with centralized authority can correct this condition by stimulating large-scale European production of the items needed for the joint defense effort. He would require this as a condition of any aid. Such correction of present conditions is also necessary to accelerate deliveries and to save United States funds. It will both create new sources of production and enable these countries to earn dollars which we would probably otherwise have to give them.

6. Centralized administration will also make possible—and the law should require—a single bilateral agreement with each country covering such country's total effort, not only for itself, but to do its part in mutual aid for the other participating countries. Through such agreements and by following them up—Mr. Hoffman has described it as the need to follow the dollar—the goal of a strong defense can be achieved with much less net United States cost.

7. Such centralized administration, through its bilateral agreements, also furnishes the powerful agency necessary to achieve the objectives sought by the Kem amendment in controlling trade which is on balance of military value to the Soviet bloc. (I refer later to a study of this problem recently completed.)

The foreign-aid program before you is today, we believe, one of the great steps in the defense of the United States. It is in fact the means through which, if we manage it well, we can get the most in defense for the least dollars. The foreign-aid program is, therefore, a necessary supplement to expenses for our own Defense Establishment, and cannot be considered separately from them under the over-all plans for defense. We believe that, unless our own defense budget is to be radically cut, there is no

sound basis upon which the foreign-aid appropriation should be radically reduced.

It is the view of three leading atomic scientists, members of the Committee on the Present Danger—a view which the other members of our committee share—that our present atomic supremacy is maintaining a temporary balance which averts a Soviet attack on Europe; that this will not last indefinitely; that during the period so given to us a realistic joint defense of Europe is the most effective means of preventing a major war; that this is so because Europe is the greatest prize the Kremlin seeks; that there is no better way to prevent a major aggression than to make the attempt to seize Europe a bad gamble at any time; that this must be done without neglect of the Far East. To accomplish these things the foreign-aid program is a key step. But to make this measure acceptable to the people of the United States, we believe that they must be assured of the most efficient, economical administration of this great fund.

The position of the Committee on the Present Danger on this subject resulted from an exhaustive study conducted, on its own initiative and at its own expense, here and in Europe over several months. The committee has previously submitted to each Senator the conclusions from this study. A summary of them is contained in a short pamphlet entitled "A Statement on Foreign Aid," dated June 18, 1951 (which also lists the members of the committee). Accompanying it, separately bound, was a much more detailed study. These were supplemented on July 18 by a study of the problems raised by the Kem amendment—the limitation of trade with the Soviet bloc as a condition of United States foreign aid.

The staffs of the Foreign Relations and Armed Services Committees of the Senate have also been furnished with copies of a proposed foreign-aid bill prepared by the Committee on the Present Danger pursuant to request from the chairman of the House Foreign Affairs Committee and other members of that committee. This included detailed provisions as to bilateral agreements, counterpart funds, and provisions to meet the problems raised by the Kem amendment. A brief explanatory memorandum accompanied such draft of the bill. Such bill is consistent with the amendments to S. 1762, recently proposed by Senators SMITH of New Jersey and SALTONSTALL.

In the above activities and in making the present statement, neither the Committee on the Present Danger nor I, as an individual, have any interest to serve except our interest as citizens to bring about a strong defense, as a means of preventing a major war, if possible, and of winning it if war should be forced upon us.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. Yes.

Mr. AIKEN. I should like to interrogate the Senator from New Jersey, as the ranking member of the Foreign Relations Committee who is now on the floor. The bill, which we are considering, provides some six or seven billion dollars for cooperation with certain countries of the world which would contribute to the mutual security of themselves and the United States of America. The Senator, of course, is aware of the fact that of all the countries in the world none is so important, or is more important to the security of the United States, than the Dominion of Canada. The Senator is also aware of the fact that for many years there has been in existence an agreement between the United States and Canada looking to the development

of the St. Lawrence River, so that the power and navigation facilities which are so desperately needed in both countries might be made available. The Senator is also aware of the fact that there has been all this year a bill before the Foreign Relations Committee which would provide for the approval of this agreement which would then make available for use the greatest remaining natural resource in North America.

The Senator is also doubtless aware of the report that the chairman of the Foreign Relations Committee is unalterably opposed to the development of the St. Lawrence power and navigation facilities, as he has been for the past 20 years, and undoubtedly will oppose any bill approving a development of the St. Lawrence River ever coming out of the Foreign Relations Committee. The Senator, if he had looked on his desk, would have noticed that the junior Senator from Michigan and I have offered to this bill an amendment providing for the approval of the St. Lawrence agreement.

It seems vital that the Congress have an opportunity to act upon the proposed St. Lawrence development legislation at this session of the Congress. The matter has been bottled up by a committee in the House for the time being. I, for one, do not propose that it shall remain bottled up by a committee of the Senate. The question I should like to ask the distinguished Senator from New Jersey is this: In his opinion, is the Senate Foreign Relations Committee going to permit the chairman of that committee to keep this matter, which is so extremely vital to the security of the United States, bottled up in committee?

Mr. SMITH of New Jersey. I may say to the Senator that there is no way for one member of the committee to decide what the committee shall do. I do not believe in bottling up anything in committee. I think the committee ought to hold appropriate hearings and report up or down any bill which is before it.

Of course, we must make this exception to that general statement: We may have an enormous calendar, and find it impossible to deal with all the bills before the committee at one session. The matter to which the Senator refers came before our committee, and there was a difference of opinion as to whether it was relevant to this particular bill, or whether it should encumber this particular bill. Speed is of the essence in connection with the pending bill, as I see it.

There is involved the question of investigating the Labrador ores, in which I am very much interested. I believe that the whole Labrador ore situation is one which makes the St. Lawrence waterway a most promising thing to investigate, and I want to see it investigated. I am bound to say, however, that frankly I do not think it ought to be attached to this bill, if we are to have expedition in passing the bill. If the Senator proposes to offer the St. Lawrence waterway proposal as an amendment to this bill in the hope that the bill will carry, I would advise against doing so. I think we ought to deal with the subject in an aggressive way as promptly as possible, again having in

mind the question of whether the ore development can be related to our national defense, and whether it involves the war emergency to such an extent that we ought to recommend the expenditure of the billions of dollars necessary to develop the waterway.

The project would require several years. The Senator is entirely justified in asking for the authorization. I hope he pushes his bill. I hope we can go into the ore question. It interests me greatly. Further studies should be made as to whether the project could be made self-liquidating, and over what length of time. However, frankly, I do not believe that we should tack it onto this bill, because I think it would encumber the bill and delay passage of the measure which General Eisenhower needs in order to carry on his work of organizing divisions in Europe.

Mr. AIKEN. I appreciate the remarks of the Senator.

Mr. SMITH of New Jersey. I always appreciate suggestions from the Senator from Vermont. He is one of our best thinkers. Six years ago, when I entered the Senate, the Senator from Vermont was discussing the St. Lawrence seaway. My heart is with him. I should like to see the ore question discussed, to see if we cannot justifiably relate it to our defense situation.

Mr. AIKEN. I appreciate the sentiments expressed by the Senator from New Jersey. I am sure that he is aware that for the past several months the highest military and civilian authorities of both the United States and Canada have been consistently pleading for approval of the St. Lawrence-Great Lakes development, in the interest of the security of both countries. I can see no provision in the bill before us that is as important to the security of the Nation as is the development of navigation and power on the St. Lawrence River.

My question to the Senator from New Jersey is this: In his opinion, is the Committee on Foreign Relations going to permit the chairman of that committee, who, for some reason which I cannot fathom, seems to be bitterly opposed to the development of power and navigation on the St. Lawrence, to keep the bill bottled up in committee? My purpose in offering this amendment is to get it before the Senate for action, if there is no hope of action by the committee. I am not sure but that the Senator from New Jersey may return from San Francisco in time to vote on the bill. I should like assurance from the Senator that he is going to oppose this attitude, which is depriving the United States and Canada of a most vital factor in the defense of the North American Continent.

Mr. SMITH of New Jersey. Let me say to the Senator that no one member of the committee can answer as to what the committee will do. The question did arise, definitely, as to whether the project should be tacked onto this bill. It was decided that it should not be tacked onto this bill, but should be brought up by itself. Whether it can be done at this session, if we are to adjourn by October 1, is open to question.

Mr. AIKEN. Has the committee taken any action looking to taking up the

St. Lawrence seaway bill by itself, on its own merits?

Mr. SMITH of New Jersey. If I remember correctly, the Senator from Wisconsin [Mr. WILEY], who is the ranking Republican member of the committee, is just as much for that bill as is the Senator from Vermont. Some time ago he requested that the committee consider it. I did not hear any objection to it. There has been a great deal of pressure on the time of the committee, due to a number of important matters that had to be given serious study and full consideration.

Mr. AIKEN. I do not believe that the people of the country or Members of Congress fully understand the seriousness of the situation. We have a less serious situation in regard to Niagara Falls, with respect to which legislation looking to the development of power is being held up. I will say to the Senator from New Jersey, if he does not already know it, that while we squabble on this side of the line as to what to do about the power, Canada is putting in generators on her side of Niagara Falls large enough to use all the additional power authorized by the recent treaty, both from the United States side and the Canadian side. I am in favor of Canada using all the water permissible if we are going to be such fools that we cannot work out a plan for developing our own power. In the case of the St. Lawrence, it would be impossible for Canada to do that because action by the United States Congress is necessary to authorize it.

Mr. SMITH of New Jersey. I will say to the Senator that Dr. Wilcox, who is on the staff of the committee, reminds me that it was definitely agreed that the bill would be taken up when we could get to it. We have been pushed from one thing to another in our committee. It is planned to take testimony on the entire St. Lawrence waterway proposal; but there was a definite feeling that we should not report that proposal as an amendment to this particular bill, because of the urgency of passing the bill now.

Mr. AIKEN. I understand that; but what I want is some assurance that the committee will take action on the St. Lawrence seaway project.

Mr. SMITH of New Jersey. Does the Senator mean at this session?

Mr. AIKEN. In the near future.

Mr. SMITH of New Jersey. I think I am safe in saying that it will be done in the near future. I think it should be. I am very much interested in the information which I have received from friends of mine on the ore question. I have always been very friendly to this entire project, as the Senator knows. At one time I was troubled by the question of justification for the costs and the question whether the project could be made self-liquidating. I understand those questions have been pretty well ironed out. I believe that the waterway and its relation to ore development is something that we should consider as soon as we can get to it.

Mr. AIKEN. Does the Senator believe that the committee will take action in the near future?

Mr. SMITH of New Jersey. So far as I am concerned, I will support action being taken and hearings being held, to see if we cannot arrive at a report on the bill.

Mr. AIKEN. I thank the Senator.

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

Mr. SMITH of New Jersey. I yield to the Senator from New York.

Mr. LEHMAN. Whether the amendment with respect to the development of the St. Lawrence should be attached to this particular bill or not is a debatable question. But I think perhaps I know more about the history of the St. Lawrence development, or nondevelopment, than most other Members of the Senate. My interest and association with this project dates back more than 25 years.

Mr. SMITH of New Jersey. I cannot believe that the Senator is old enough to make that statement.

Mr. LEHMAN. I thank the Senator. The first time I appeared before a congressional committee in support of the St. Lawrence waterway and power development project was back in 1934—17 years ago. I appeared again in 1941. I appeared again in 1950, always urging the development of the dual project—the waterway and the power. Those appearances, which now cover a period of more than 17 years, were before committees of the House. I never had an opportunity to appear before a committee of the Senate in behalf of this project, which I believe to be one of the most important to the defense of this country. Opportunity to appear before a Senate committee has been lacking. I fully agree with what my distinguished colleague from Vermont [Mr. AIKEN] has said—that we should certainly have a hearing on a bill, in the event that the amendment is not adopted in connection with the pending bill; that a report should be made promptly, and that the bill should be brought to the floor of the Senate for debate and favorable action. Seventeen years is a long time to wait for a hearing.

Mr. SMITH of New Jersey. I will say to the Senator from New York that in the past 17 years extensive hearings on a St. Lawrence seaway bill have been held before the Committee on Foreign Relations. Such a bill was reported a few years ago, and it was fully debated on the floor of the Senate. It was sent back to committee on a motion to recommend, because it was felt that it would be defeated. I shall consider it a great privilege, when such hearings are opened, which I hope will be in the near future, to hear the expert knowledge which the Senator from New York will be able to give to our committee. He will certainly be heard as soon as the hearings are opened. I believe that in the light of his distinguished record as Governor of New York State, he should be the first witness to testify.

Mr. LEHMAN. I thank the Senator from New Jersey. The hearings before the Senate Foreign Relations Committee to which the Senator has referred had slipped my memory. I was out of the country during a great part of that time. In any event I wish to point out

that such a project, while of undoubted direct benefit to the people of New York State, would also be of direct benefit to the entire Nation.

Mr. SMITH of New Jersey. I know that the Senator from New York feels that way. I wish to thank the Senator from New York and the Senator from Vermont for their contribution to the debate. I believe it to be important that the RECORD should reflect their eagerness with respect to the enactment of such a bill.

I yield the floor. I apologize to the Senator from Florida [Mr. SMATHERS] but I am sure he understands the reason for his being delayed.

Mr. SMATHERS. The Senator from Florida has enjoyed very much the splendid remarks of the able Senator from New Jersey, and under the circumstances he was very happy to yield to him.

Mr. President, I send to the desk an amendment to the pending measure which I propose to offer, and I ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. SMATHERS. Mr. President, my amendment does not seek to make a cut, but, on the contrary, seeks to restore the figure which was allocated to Latin-American countries for technical assistance in the bill as passed by the House.

Mr. President, I share the desire of the members of the Senate to complete the pending legislation by Friday night, and with full knowledge of the importance to the free world of the early adoption of this Mutual Security Act of 1951, I hesitate to prolong the debate on this vitally important bill. Therefore it is with considerable reluctance that I ask a very few minutes of the Senate's time in order to consider an item which is small in its size but tremendously large and significant in its implication.

We are considering legislation calling for the appropriation of over \$7,500,000,000, but I wish to call the attention of the Senate to such a small item as \$6,750,000. I hope that there may be some chance of restoring this cut, for this cut, which was not recommended by the House of Representatives when they considered this legislation, can well jeopardize our now friendly and cooperative relations, with our friends and neighbors of South America. I emphasize that the amount is not large as compared to the total amount called for in this bill, but this small amount, this cut, is important to the well-being and the security of the United States and the free world.

The total request for aid for the South American countries was only \$62,000,000. Under ordinary conditions it would seem to be a sizable sum. However, in proportion to the total amount in the pending bill, it is less than three-fourths of 1 percent of the total amount we are now considering. Of the \$62,000,000, \$40,000,000 was requested to assist the countries of Latin America to join with us in a mutual defense program for the defense of the Western Hemisphere. The amount was left substantially intact by

the committee. The balance of the \$62,000,000, an item of \$22,000,000, was requested for technical aid and economic assistance for the countries of South America. This \$22,000,000 was the victim of the broad, across-the-board 30-percent cut which was given to all technical-assistance programs in the various areas of the world which this bill covers. The 30-percent cut reduces the \$22,000,000 asked for on behalf of Latin America to the sum of \$15,250,000. I ask that it be remembered that the \$15,250,000 for technical assistance is to be divided between 21 countries of Latin America, meaning that if it is distributed proportionately there will be less than \$1,000,000 for each country.

A 30-percent cut applied to the economic or technical-aid program for Europe still leaves the sizable sum of \$1,130,000,000 to be distributed among 15 countries. A 30-percent cut in economic aid to the Middle East still leaves \$122,000,000 to be divided up among 12 countries of that area. The 30-percent cut in the program for the Far East leaves \$254,000,000 to be divided among 12 countries. But a cut of 30 percent in the very small amount originally requested for the Latin-American countries leaves only \$15,000,000 to be divided among 21 countries. A 30-percent cut might not be considered drastic where there is a large amount of money originally requested and authorized, but a 30-percent cut to as small an amount as \$22,000,000 to be divided among the 21 countries of Latin America reduced the amount remaining to almost unworkable miserly proportions.

Mr. President, it seems to me that we must not lose sight of our own security, which means, of course, the well-being and welfare of the entire Western Hemisphere. Above all, we should remember who our friends are. One of the great errors for us to make would be to ignore and forget those friends who not only live in our neighborhood but with whom we have had friendly and mutually beneficial relations for many years. All of us in political life know that one of the gravest mistakes any man can make is to forget his good friends and spend his time and his energy and what assets he has in trying to cultivate new and heretofore strange friends, because eventually the good friends, with much justification, begin to feel neglected and offended, and decide that the way they can gain attention and favor is to cease being so friendly and reliable. That mistake has been made many times in political life, and it seems to me that that mistake can be made in the present-day field of international politics. As a matter of fact, I am very much afraid that the Government of the United States might be making that mistake today in the cutting of the comparatively meager and small appropriation which was requested for its steadfast friends of Latin America, in order to give more to people about whom we are not so certain.

Let us look at the record for just one moment. In World War II when the Japanese had cut off in the Far East our source of supply of strategic and necessary materials with which to fight a war, those critical materials—manga-

nese, tungsten, copper, zinc, tin, oil—which were absolutely essential to us were finally procured from the countries of South America. When by reason of the submarine threat of the Nazis it was impossible to get from the Middle East or Africa some of the vital and critical items we needed. Where did we turn to replace that loss? We turned to the countries of South America. As a matter of fact, the Atlantic Fleet in its entire operation during World War II got its oil from the South American country of Venezuela, which incidentally is the second largest producer of oil in the world, the United States being first. Incidentally, under proposal in the pending bill, Venezuela would get less than a million dollars, whereas Iran—and Iran is very important, and we want all the oil we can get from Iran for a free world—would get comparatively speaking, \$24,000,000. I have no desire, of course, to cut the amount which is intended to be given to Iran.

In our efforts to meet the Communist expansion, and facing the possibility that we might be plunged into an all-out war at any moment, this Government is today stockpiling numerous critical items, many of which come entirely from South America. For example, 100 percent of our imports in vanadium ore, essential in steel production, come from South America; 90 percent of our imports of quartz crystals, so vital in electronics; 95 percent of the sodium nitrate we import; 80 percent of the antimony; 71 percent of the copper; 77 percent of the bismuth; 55 percent of the zinc ore; 24 percent of the manganese; 35 percent of the petroleum, and so forth, which we import come from South America. Obviously it is important to keep this source of supply not only available to us, but continually increasing and expanding.

Aside from these matters of strategic military importance, Latin America today sends to us about 35 percent of our total imports. Last year over \$2,800,000,000 worth of goods were purchased by the people of the United States from the people of Latin America. Our exports to Latin America last year amounted to \$2,500,000,000, which is over half of their total imports. This figure includes about 30 percent of our total exports of machinery; 40 percent of our total exports of manufactured textiles; 44 percent of our total exports of automobiles, and so forth. I might add that these exports were not paid for with grants-in-aid from the American taxpayers or through Marshall plan or ECA assistance, for the countries of South America have not received any such benefits. They have done their business through the Export-Import Bank and the World Bank on a purely business basis. They have not received even the smallest proportion of assistance from us, as compared with that which has been obtained from us by the other countries of the world. Yet it is becoming increasingly obvious that today the countries of South America are inextricably bound up with our welfare, and, of course, we are likewise bound up with theirs.

We have heard it said that the defenses of Europe are not now sufficient to stop

the Red armies if they started today a drive for the English Channel. If Europe were overrun, and if at the same time the Communists moved with their reported power and strength in the Far East, there is no doubt that they could temporarily take Japan and could cut off from us once again, at least for a while, the East as a source of supply of critical items which we need if we are to mount a military counterattack. If that should happen, and according to the military experts that is not beyond the realm of possibility, where do we turn for these materials except once again to our friends and neighbors of the Western Hemisphere on whom we depended last time, and, obviously, upon whom we must depend next time, should we lose Europe and the Far East.

It seems to me, therefore, that we should not overlook them in this legislation. We should not treat them niggardly or miserly. They should not be treated like unwanted relatives at a family reunion, for in the interest of maintaining freedom and democracy here in this hemisphere, we are essential to them, and they indeed are most essential to us. They need modest military assistance in order to live up to the commitments which they have made in joining with us in the cooperative military defense of the Western Hemisphere, and I wish to congratulate the committee upon having cut that amount only a little less than \$2,000,000—but more important than military assistance at the moment, they need technical assistance, economic advice, and help in discovering and developing their natural resources and in improving their transportation, health, and educational systems. To do that, not only helps them but helps us, as well, for they are on our defensive team. It seems to me that they are on our guards and tackles. When they are strengthened, the team is strengthened.

The technical-assistance program, which has been cut to \$15,250,000, is not a new program for Latin America. It has been under way since 1941. This program does not involve the exportation of complicated industrial machinery, nor is it aimed at changing the economy of Latin America to one based on the exportation of finished products. Last year \$11,000,000 was appropriated for such a technical-assistance program for Latin America, but that program was not then, nor has it ever been, a one-way street. For every dollar the United States has provided for this technical-assistance program, the Latin-American countries have matched it with the equivalent of \$3. The money expended has been returned to this Government many times over in the discovery of new resources which have been made available to us. For example, in the last few years in Brazil two of the largest manganese deposits in the world were discovered. According to Assistant Secretary of State Miller, in 5 years Brazil can supply 80 percent of our total needs of manganese. In addition, because of this program, much financial benefit has resulted to many private investors from the United States.

Mr. President, if the cut of \$6,750,000 is not restored, after we put into the United Nations technical-assistance program for Latin America \$3,000,000, which we are committed to do, and after we put another \$1,000,000 into the Organization of American States' technical assistance program which we are obliged to do, we shall have left for this program only \$11,000,000; and in that case obviously we must curtail some of the programs which have been operating successfully in Latin America for the past 5 years.

So we see that we are in the position not only of supplying great sums of money to other areas of the world, but, by our attitude in regard to this particular cut, of curtailing the technical-assistance program to some of the countries in Latin America who have proved themselves to be among our very best friends.

This program of technical assistance is clearly a program in our own self-interest. We are increasingly dependent economically upon the underdeveloped countries of the world. Our own productive capacity has increased at a great rate. In 1940 we produced one-third of the world's manufactured goods; now we provide over 50 percent of the total world production. According to the present mobilization plans of Mr. Wilson, we propose to further increase our productive capacity by some 20 percent, by 1953. While our capacity to produce manufactured goods continues to grow at an astounding rate, we must never lose sight of the fact that our raw material capacity has remained almost constant, and obviously our raw material supply can be expected to fall off appreciably in the future. The countries of Latin America can, for the most part, be considered as underdeveloped areas, economically speaking; and, as such, they offer to us the greatest prospect for future markets for our own production, as well as future sources of raw materials.

The problem of markets is, as we know, a very important one as our industrial production increases. All of us hope that eventually we can have peace. When that happy day comes, our capacity for military production then will become available for nonmilitary production. Then we must find markets which can be used to assimilate the products of these converted industries. If the underdeveloped countries are able with our help to increase their production of raw materials and, at the same time, their income and consequently their capacity to buy abroad, they will become increasingly important purchasers of United States goods.

We must remember, however, that we cannot commandeer from the countries of Latin America their raw materials, nor can we make them purchase our manufactured goods, nor can we force them to be our friends if they choose not to be. The democratic way and the intelligent way is to seek the cooperation of the people and the governments of Latin America so that we and they can together continue and expand programs which we began in 1951, and which are in our joint interest. This is the pri-

mary purpose of the technical-assistance program, as it applies to Latin America; and that program has been cut by one-third in this bill, as it is now before us.

The House of Representatives did not recommend any cut in the technical-assistance program, for they felt that it was essential to foster the ever-growing friendship and cooperation between the countries of the Western Hemisphere. They realize that it might well be essential, in the event we lose Europe and the Far East, to have those countries developed and on our side.

There is recommended in this measure some \$518,000,000 for the Middle East, as compared to the \$53,000,000 for all of Latin America. While it is true that the Middle East is at the moment under the gun, and we are anxious to keep those areas on our side, let us remember that the total resources for the Middle East do not in any way compare with those of the countries to the south of us. We are stepping up technical assistance to the country of Iran in the amount of \$24,000,000, and we are providing \$42,000,000 to other countries in the Middle East, in the hope that the oil of Iran will remain available to the people of the free world; but we must remember that Venezuela is, next to the United States, the second largest producer of oil in the whole world. Eighty-five percent of our imports of oil come from Venezuela, and the technical assistance which we are giving her by means of the pending bill is considerably less than \$1,000,000.

In our desire to cut down the drain on the Federal budget, in our realization of the tremendous sum of approximately \$7,500,000,000 which this bill calls for, in our effort to squeeze the water and fat from it and reduce it to the absolute minimum, let us not cut into the bone and marrow of what can well be the final stronghold of freedom and independence in the world.

Let us remember that these countries are good friends and good neighbors. Let us remember that we need them now, and undoubtedly we will need them more in the future. Let us remember that at the present time we have much good will in South America, and let us not destroy that good will by either ignoring or being miserly in dealing with the South American countries. Let us remember that they were not beneficiaries of the Marshall plan or the ECA, and that they have not been permitted to receive economic grants, as most of the nations with which we are dealing have received in recent years.

Just because they have raised no great hue and cry, let us not believe that we can therefore economize on them. For to economize in such a manner is to be "penny-wise and pound-foolish." These people are awakening politically. They look to us for friendship. Let us not by our acts have them believe that we do not mean what we say, that they are our friends and good neighbors.

Mr. HOLLAND, Mr. LEHMAN, and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. SMATHERS. I am happy to yield first to my distinguished colleague the senior Senator from Florida.

Mr. HOLLAND. Mr. President, I strongly commend the remarks of my colleague, and in particular do I want to say to him that I think he is right in his statement that the technical-assistance program for Latin America is essentially in our own enlightened self-interest. It seems to me, if I may make this comment, that perhaps the committees, which I think have in general done an able job in their report, have largely overlooked, in that portion of their report which has to do with the technical-assistance program for Latin America, the great value of one of the most substantial features of enlightened self-help, in which we promote our own interest by giving technical assistance to our Latin-American neighbors in the field of agriculture.

For example, I quote for the RECORD the two paragraphs of the report bearing upon this particular part of the program:

The economic problems of Latin America arise out of the fact that the majority of its people live in poverty, hunger, and ill health. Since this situation inevitably lends itself to social unrest and political instability, it is in the security interests of the United States to help the American Republics improve their economic life.

Surely, Mr. President, the complete wisdom and soundness of that statement by the committees, so ably supported by my distinguished colleague, are almost self-evident. But I continue to quote from the report:

The program for 1952 will continue the cooperative projects now under way with some expansion in the agricultural work, particularly in the development of rural extension programs.

I would like to say to my colleague that I think the committees, while they barely mention the fact that the enlarged program suggested this year would be expanded, particularly in the agricultural field, have failed to make the point, which I think my able colleague has suggested so strongly, that in this field of agricultural technical assistance we have in this country a great stake in improving the level of scientific agricultural skill and knowledge in our Latin-American neighbors.

It seems to me there are three instances in which recent experience bears out the point that it is to our enlightened self-interest to support the furtherance of technical knowledge and the improvement of technical skill in Latin America in this field of agriculture. I call attention first to the eradication program to stamp out the foot-and-mouth disease; and I am glad to see in the Chamber at this time—and I invite his attention—the distinguished senior Senator from Texas, because his State has such a vital stake in the eradication of the foot-and-mouth disease.

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

Mr. HOLLAND. I yield.

Mr. CONNALLY. Is it not true that the United States has expended millions upon millions of dollars in Mexico to eradicate the foot-and-mouth disease?

Mr. HOLLAND. The Senator is correct; and I think that there we were evidencing our own understanding of what enlightened self-interest means; because by stamping out the foot-and-mouth disease in its heavy infestation of Mexico we were preventing it from crossing the border and causing unspeakable damage and loss to the livestock industry, in which the Senator's great State and our Nation as a whole has literally billions of dollars invested.

But the point which I was about to make, and the commendation of my colleague which I was about to emphasize at this time is that we learned in that program of eradication that we are so greatly ahead in our ability to cope with a disaster of that kind because of the fact that we have more trained personnel, more scientific knowledge, more laboratories in which we can develop serums, and the like, than is the case with our very good friend, the Republic of Mexico. It is my observation, after having gone there and having visited the areas while the campaign was under way, in which the Republic of Mexico cooperated so fully with our Nation, that the cooperation given by Mexico would have been much greater, and that the combined efforts of the Mexican people, along with our own efforts, would have been much more effective, and the acceptance by the Mexican people of the disagreeable features in connection with such a campaign would have been much greater, had there been greater technical knowledge disseminated among the Mexican rural people.

Therefore, I have been particularly happy to note that it is proposed in this approaching year, if the full appropriation of \$22,000,000 is available, to enlarge the work in the field of rural extension programs and in the general field of agricultural technical knowledge.

I make this point, and I am sure the able Senator from Minnesota [Mr. THYE], who has served so capably as chairman of the committee which has handled this matter, will bear me out in the statement that we would have been able to do a better job with less money, more efficiently and more quickly, if there had been in Mexico facilities, personnel, and public understanding at all comparable to what we have here in our own rural areas.

If my colleague will further yield that I may state a second case, let me say that we have recently made provision for the construction of a new citrus laboratory, required largely by the fact that tristeza, a virus disease which has wrought many millions of dollars of damage in Brazil, has recently come into our Nation, appearing in Louisiana.

Most of the knowledge we have in that field has been gained by experienced personnel in our country who went to serve in Brazil, to work with the agricultural scientists and agricultural producers over the many thousands of acres and the hundreds of thousands of square miles in which the citrus industry of Brazil exists, in an effort to find out all that could be discovered about that particular virus disease.

It is very clear from the statements made by the scientists who appeared before the Subcommittee on Agriculture of the Appropriations Committee that they would have been able to do a better and quicker job, which would have served us better and made more information available to us now, if the level of scientific knowledge and practice had been higher in our sister nation of Brazil, which certainly showed herself to be our true friend in the Second World War.

I say to my distinguished colleague that I do not believe he could make a stronger case of enlightened self-interest than in this field of agriculture, because with over 2,000 miles of common border between our Nation and Mexico, with heavy trade going on constantly and the travel of persons from all parts of Latin America to our Nation, there is the area from which we have the greatest danger of infestation by diseases or insect pests affecting agriculture—and agriculture in this Nation is a multi-billion-dollar activity which is one of the greatest assets we have to protect.

And so, this expenditure will be an investment rather than a gift, and it will be an investment in our own interest.

Mr. President, to state a third case, I recently went to the State of my distinguished colleague from Texas [Mr. CONNALLY] and then across into Mexico, to the laboratory in the city of Mexico, made available by that friendly neighbor, in which important experimental work was going on, directed by our own personnel, Dr. Baker and Dr. Stone, aided by several capable Mexican technicians. They were studying the blackfly menace about which the Senate has many times heard. I found they had gone a long way in developing a control program, but the trouble is that the blackfly is already spread over thousands of square miles of Mexico, and it must be fought there and not here. We hope that the control program will be so well conducted there that the blackfly will not cross the Rio Grande into the grand State which the Senator from Texas represents, nor go across into any of the other States in which there are many fruit and vegetable projects which would be harmfully affected by the blackfly.

But I remind the Senate that the degree of technical skill available in the various rural areas of Mexico where the control program must be carried forward will determine largely whether the blackfly menace will be stopped at that more or less artificial boundary, the Rio Grande.

I went to the city of Matamoras, directly across from the city of Brownsville, and was shown certain citrus trees which a few days before had been infested by the blackfly. It is tremendously important to the citrus growers and other growers in Texas and in other parts of the United States as to what is the level of information, skill, and equipment of those who are producing citrus and other host fruits and vegetables in Mexico, as to whether they are going to be able to stop the menace there or

whether it will get into Texas and other portions of our great Nation.

Mr. President, among the points made by the committee in its able report it further has this to say about the Latin-American program:

The technical-assistance program is helping to create and develop the basic services which are prerequisite to economic development and to large-scale investment.

This is true, and it is important. But it seems to me that my colleague has hit the nail squarely on the head and has stated the fact which is of greatest importance to us when he says it is primarily to our own self-interest to see that the standard of scientific and technical skill, knowledge, and ability to do the things that must be done should be raised and elevated through such help as we can bring, just as rapidly as possible, in the Latin-American republics which are our nearest neighbors and best friends.

So, Mr. President, I hope my distinguished colleague will succeed in his effort to restore this particular part of the appropriation to the level already approved by the Budget Bureau and already confirmed by the House, and reduced only by the Senate committees.

I think that in their reduction of this item and in their able report the joint committees have lost sight of one of the truest values or measurements of this program, namely, what is its worth to us; what is its worth to our basic industries?

I think it is almost self-evident that this program of improvement of technical skill and knowledge in many fields, but particularly in the field of agriculture, is of immeasurable value to us and to our vital industries. I congratulate and commend my distinguished colleague for his able argument.

Mr. SMATHERS. I thank the very able senior Senator from Florida, and, I might say, the very friendly Senator, for his remarks about me, and I appreciate the additional arguments which he has made which further substantiate the reason why the amendment which I hope to call up tomorrow should be adopted.

Because of the remarks of my colleague I should like to invite attention to another thing. We receive from Latin-American countries critical materials which we must have in the event that we should be called upon to mount any sort of a military counterattack.

We have been making some money in our dealings with the people of South America.

Over 30 percent of the loans made by the Export-Import Bank have been made to Latin-American countries. That is vouched for by Herbert E. Gaston, the president of that bank, who says:

I consider the credits extended to Latin America as sound as any in our portfolio.

We look a little further and we observe that the Export-Import Bank for the fiscal year 1950-51, with all their world-wide operations, which included the loans to Latin America, had a profit of some \$51,000,000.

Mr. President, I yield the floor at this time with the remark that I hope Senators will interest themselves in this particular problem, because the people in question are close to us. We need them. We want to prove to them that we are neighbors, not only in words, but in fact.

LEAVES OF ABSENCE

Mr. HUMPHREY obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator yield so I may make a unanimous-consent request, and make a brief statement?

Mr. HUMPHREY. I am happy to do so.

Mr. McCLELLAN. Mr. President, to carry out previous commitments, I am compelled to be absent from the Senate tomorrow and for the remainder of the week. I ask unanimous consent that I may be absent from the sessions of the Senate until next Tuesday.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Without objection, it is so ordered.

Mr. MARTIN. Mr. President, will the Senator from Minnesota yield so I may make a unanimous-consent request?

Mr. HUMPHREY. I yield for that purpose.

Mr. MARTIN. I ask unanimous consent to be absent from the Senate for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. McCLELLAN. Mr. President, I wish to make an observation respecting the bill now before the Senate. It is an authorization bill. Of course, it does not appropriate money for spending. It will only authorize the spending of money. The appropriations committees of the respective bodies of Congress will have an opportunity to go over any proposal for appropriations.

Mr. President, I wish to make the statement that I oppose any increase in the ECA funds in the bill and definitely oppose amendments that may be offered to it to increase amounts it authorizes. In fact, I shall support, and am paired with the junior Senator of West Virginia in support of pending amendments for cuts in the ECA fund in the bill.

I wish to make a further statement, Mr. President. We are spending ourselves into a condition from which we may not be able to retrieve ourself. We have got to make every dollar count. Therefore, I am opposed to trying to build up the economy of all the whole world when we are confronted by the necessity of preparing the strongest defenses America is capable of preparing here at home.

As a member of the Appropriations Committee and of this body, Mr. President, I shall carefully scrutinize spending proposals. I shall vote for cuts in appropriations when they are before us.

I am now paired on this bill. I am opposed to any increases in these proposed authorizations, and favor reductions in the ECA item, and some others in the bill.

THE AMERICAN LITHOFOLD CO.

Mr. WILLIAMS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS. Mr. President, for the information of the Senate, I wish to read an article published in the Washington Daily News of Friday, August 24, 1951, as follows:

TREASURY AIDE QUILTS—ALCOHOL TAX UNIT HEAD RAN PRIVATE MILLION-DOLLAR FIRM

NEW YORK, August 24.—James B. E. Olson, Alcohol Tax Unit Supervisor here for the Treasury Department, resigned, effective today.

At the same time, the World-Telegram and Sun, a Scripps-Howard newspaper, revealed that Mr. Olson directed a private business which grossed millions during his 4 years in Federal service.

Treasury regulations prohibited employees from engaging in any outside employment in which their personal interests may conflict with official responsibilities.

The private business which Mr. Olson directed as board chairman is the J. B. E. Olson Corp., which sells truck bodies. Auto agencies mount these on chassis and sell to breweries, laundries, and bakeries.

COLLECTS TAXES

The Alcohol Tax Unit collects taxes from breweries and distilleries.

Mr. Olson said his corporation will gross about \$1,400,000 this year. He said he is resigning to devote all his time to his private interests.

Mr. Olson denied reports that he had recently been called to Washington and given 30 days to get out.

The J. B. E. Olson Corp. was formed in December 1946. The next month Mr. Olson was sworn in as Alcohol Tax Unit supervisor. At the time the Commissioner of Internal Revenue and Mr. Olson's chief was Joseph D. Nunan, now practicing law here.

DO NOT AGREE

Mr. Olson said he had discussed his business venture with Mr. Nunan in 1947. Mr. Nunan, reached at a farewell luncheon in Mr. Olson's honor yesterday, confirmed the conversation. But the two did not agree on what had been said.

Mr. Olson's first version didn't mention Mr. Nunan. He said his business activities had been approved by the counsel of the Revenue Bureau. Asked to name the 1947 counsel, he said he wanted to correct himself. It was not the counsel but Mr. Nunan who had granted approval. He added that Mr. Nunan had suggested Olson resign as president and take office as chairman of the board.

COULDN'T REMEMBER

Mr. Nunan couldn't remember that the president-chairman shift had ever been mentioned. He did recall that Mr. Olson had told him of his outside business and he had told Mr. Olson he could do anything that did not interfere with his Government work.

Mr. Nunan said he would not have given permission if Mr. Olson had told him that the truck bodies handled by the corporation might be sold to breweries. He said Mr. Olson hadn't mentioned that. Two of Mr. Nunan's law partners are now on the board of directors of the Olson company.

Asked if trucks carrying J. B. E. Olson bodies were being sold to breweries or other liquor interests paying alcohol taxes, Mr. Olson said, "Probably."

HELD HIS INTEREST

Mr. Numan resigned as internal revenue commissioner March 15, 1947, and thereafter Mr. Olson continued to hold his interest in his corporation. He said he did not obtain permission from the next commissioner.

"Let's put it this way," he said; "nobody said I couldn't."

Mr. Olson said he had started the business with \$600, and it now grosses well over \$1,000,000 a year.

The new commissioner of internal revenue, John B. Dunlap, refused to comment on the case.

Mr. President, yesterday afternoon there appeared on the ticker, from the United Press, the following, which I now read into the RECORD:

ST. LOUIS.—A former alcohol tax supervisor for New York City received \$5,500 in commissions from American Lithofold Corp., of St. Louis, for printing business he obtained for the firm in 1949-50, a company officer said today.

He was referring to James B. E. Olson who resigned the New York post last Friday.

Olson's relations with the firm were disclosed by Homer W. Stanhope, company controller. He told reporters that Olson was one of a large number of "independent agents" hired by the company in various cities to get business.

He said he had not known Olson was a Federal officer, explaining that Olson had been hired by the firm's New York office.

Company records here show that Olson received \$3,000 in commissions in February, March, April, and December of 1949 and \$2,500 from September through November 1950.

Olson had been supervisor of the Alcohol Tax Unit in New York since January 3, 1947.

His name was brought up in New York yesterday by Representative KING, Democrat, of California, chairman of a House subcommittee investigating tax frauds.

KING said Olson helped in obtaining printing contracts for American Lithofold from liquor concerns under his jurisdiction. KING added that his subcommittee is looking into the affair.

Mr. President, on May 7, 1951, I made reference on the floor of the Senate to the fact that the American Lithofold Co., of St. Louis, Mo., had three times had its requests for a loan from the RFC rejected, only to receive such a loan after having hired the collector of internal revenue in St. Louis, Mr. Finnegan. Later, Mr. Boyle was referred to as having been hired by that same company in the spring of 1949.

Now we find another revenue agent in New York was on the payroll of this same company. The comptroller of the company says that they had hired a number of independent agents throughout the country.

I am wondering just what they describe as independent agents, and just how many Government employees have been put on the payroll of this firm. Why were these particular men hired?

It is interesting to note that after these three men were put on the payroll of this company two rather lucrative Government contracts were awarded to the concern.

For instance, the Government Printing Office awarded to this company a contract totaling more than a million dollars. In 1948 the Government Printing Office purchased from the American Lithofold Co. supplies amounting

to \$62,273.02; in 1949 the amount was \$101,691.62; in 1950 the amount was \$227,358.95; in 1951 the amount was \$668,031.51. A corresponding increase was made in purchases from their subsidiary, the American Carbon Paper Co.

I ask that the figures relating to these purchases be incorporated in the RECORD at this point.

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

UNITED STATES GOVERNMENT
PRINTING OFFICE,
Washington, D. C., August 8, 1951.
Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Here is the information requested by you in your letter of August 7, 1951.

Listed below are the summaries:

American Lithofold:
1948.....\$62,273.02
1949.....101,691.62
1950.....227,358.95
1951.....668,031.51
Balance due.....1,874.19
American Carbon Paper Co.:
1948.....667.80
1950.....27,506.88
1951.....14,047.34

Very truly yours,

JOHN J. DEVINY,
Public Printer.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have incorporated in the RECORD a letter showing the purchases during the past 3 years by the military departments from the American Lithofold Co. and the American Carbon Paper Co. These purchases were in addition to the other purchases just mentioned.

Also, I ask unanimous consent that a breakdown of these purchases by the Defense Department be incorporated in the RECORD as a part of my remarks.

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

THE SECRETARY OF DEFENSE,
Washington, August 28, 1951.
Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: The following information is submitted in response to your inquiry of August 7 concerning purchases made by the Department of Defense from a number of specified companies. Pursuant to the discussion on August 9 between Miss Lenhart, of your office, and Mr. Lehrer, of this office, the information submitted covers all procurement actions of \$10,000 or more during the past 3 years.

1. No purchases have been made during the past 3 years from the Machinery Development Co., Atlantic Coast Sales, Systems Engineering Co., or the B. K. Supply Co.

2. In the 3-year period the Army and Navy purchased \$2,771,085 worth of printed forms from the American Lithofold Co. Of this, \$2,145,069 was purchased directly by the Army and Navy, with \$1,713,015 bought on an advertised-bid basis and \$432,054 bought on a negotiated basis, pursuant to the provisions of Public Law 413, following the President's declaration of a state of emergency in December 1950, in addition, orders totaling \$626,016 were placed by the Army and Navy against open-end contracts made with the American Lithofold Co. by other Government agencies.

3. A total of \$511,506 worth of carbon paper and typewriter ribbons was bought

from the American Carbon Paper Co., of Ennis, Tex., and \$68,328 from the American Carbon Paper Co., of Chicago, Ill. All of this material was bought on an advertised-bid basis.

4. There have been no Air Force purchases from these companies during the period involved. Details of the Army and Navy purchases are contained in the attached table.

Faithfully yours,

ROBERT A. LOVETT,
Acting Secretary.

Purchases by the military departments from American Lithofold Co. and American Carbon Paper Co.

Period and department	Number of contracts or orders	Dollar value
A. AMERICAN LITHOFOLD CO., ST. LOUIS, MO.		
July 1, 1948, to June 30, 1949: Navy.	1	91,504
July 1, 1949, to June 30, 1950:		
Army.....	3	45,077
Navy.....	3	44,552
Total.....	6	89,629
July 1, 1950, to May 31, 1951:		
Army.....	15	1,629,869
Navy.....	34	960,083
Total.....	49	2,590,952
B. AMERICAN CARBON PAPER CO., ENNIS, TEX.		
July 1, 1948, to June 30, 1949:		
Army.....	3	418,095
Navy.....	1	11,340
Total.....	4	429,435
July 1, 1949, to June 30, 1950:		
Army.....	1	32,692
Navy.....	1	14,685
Total.....	2	47,377
July 1, 1950, to June 30, 1951: Army.	3	34,694
C. AMERICAN CARBON PAPER CO., CHICAGO, ILL.		
July 1, 1949, to June 30, 1950: Army.	1	68,328

Mr. WILLIAMS. There are numerous other routine business purchases which have been made by other Government agencies throughout the year, but the particular purchases to which I have referred are rather unusual, particularly in view of the fact that this company had on its payroll two prominent employees of the Government, in addition to employing the services of William Boyle. After the employment of these individuals we find their RFC loan was approved and Government orders began to roll in.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. HUMPHREY. Mr. President, I rise to speak in support of the Mutual Security Act of 1951. I believe there ought to be increases in certain aspects of the bill. Before I proceed I wish to pay tribute to the distinguished junior Senator from Florida [Mr. SMATHERS] for his very appropriate and discerning remarks on our relationships with the

Latin-American countries, and particularly the importance of the technological and technical-assistance program. I felt that both the junior Senator and the senior Senator from Florida [Mr. HOLLAND] made distinct contributions to the understanding of what appropriate technical assistance can mean to our own welfare as well as to the welfare of those to whom we offer aid.

I think we are going to find, as the years go by, that the investments this country makes which are really meaningful, and which will be good for the long run, are the investments which we make in scientific and technological advance and study. Those are the ones which are productive. They do not dissipate themselves, but rather grow, and have a progressive ratio of development.

It is perfectly obvious to any American citizen that our Nation and all the other free nations of the world face great dangers. I am sometimes of the mind that not enough of us really appreciate the diabolical and sinister menace which opposes us. The Soviet Union seems so far away, and the stupidity of our local Communists seems so apparent, that we do not always comprehend the full significance of the threat which faces mankind everywhere.

Possibly the nature of that threat and the seriousness of it become more evident when the taxpayers of the country, our citizens, find out today we are talking about a bill which authorizes \$7,535,750,000 for mutual security. Possibly the seriousness of the situation will be spelled out in more understandable terms when we start to consider the military authorization for our Defense Establishment—a minimum of \$55,000,000,000 or \$56,000,000,000. Perhaps we drive the point home when we realize that this year the Government is contemplating spending \$68,500,000,000, necessitating a tax increase of anywhere from six billion to seven billion dollars in order to balance the budget; and that in the peak year of 1953 we shall be spending for security purposes alone—and I speak now of military and economic assistance programs—at the rate of \$90,000,000,000 a year.

All we are doing in this program is preparing ourselves in case of an all-out war. We have not equipped an army of 15,000,000 men and women. We have not put America into all-out production for military purposes. We have done two things:

First, we have charted a course of minimum security based on 3,500,000 men in the armed services, with adequate equipment.

Secondly, we have been tooling up and expanding our production facilities so that we can convert them almost overnight into all-out production for military purposes.

I mention those things because I do not think we ought to fool either ourselves or our constituents. What we are doing today is assuming a calculated risk for minimum security. We are proceeding on the assumption that the Soviet Union will not attack us within the next few months or years. We are hoping against hope that the minimum security program which has been outlined by the

President and other responsible executive officers of our Government will tide us through these troublous days, and that because of our strength at home and amongst our allies the Soviet and her satellites will not march against the free world.

I am an optimist. I think our program will work. But I am not sufficiently optimistic to say that it will be cheap, or that we can reduce the cost of the program to any material extent. I have heard many persons suggest that we are going bankrupt if we continue this program. My reply is that if we do not continue our mobilization we shall not even have the privilege of going bankrupt. Someone else will determine that for us.

But I do not believe that we are going into bankruptcy. For many years there have been people prophesying the doom of bankruptcy. They prophesied it as far back as the First Congress of the United States, when there was argument as to the value of our currency. It was talked about after the War of 1812, and after the War Between the States. There were many who thought we were on the road to bankruptcy in World War I, and many of them surely felt that the defense program prior to World War II and the tremendous debt afterward would lead us into bankruptcy.

People who speak in that manner seem to forget that this country has an expanding economy. Today we are producing at the highest rate in our history. At the peak of the contemplated defense program we shall be spending not more than 18 percent of our gross national product. I submit that a nation of 155,000,000 people which has the freedom, the cultural, political, and economic institutions we have can afford an insurance policy for freedom at a premium of 18 percent. That is a reasonable rate for the safety of the American people and the safety of the world. To be sure, we wish it were less. We would like to direct our energies toward what we may call more constructive purposes. But the size of our defense program and the size of the mutual security program is not within the hands of the American people alone. It is pretty much dependent upon what happens in the international scene.

The whole program must be geared not only to what our own wish may be, but it must be geared to the threat of the enemy. We do not have to mince words any longer. Make no mistake about it, the enemy is the Soviet Union, with her international apparatus of the Cominform and her satellite states. This is no enemy in theory. It is an enemy in fact. The sooner we face up to her diabolical purposes the better off we shall be. There is no easy way out of it, and there is no way in the world that we can make ourselves feel any better by saying that it costs too much.

The fact of the matter is that what we are talking about now is a minimum program—and I underline the word. This is a minimum. The Joint Chiefs of Staff, the Secretary of Defense, and the head of our defense production mobilization, Mr. Wilson, have told us that what we are talking about today, in

terms of expenditure, is a minimum, and it is based upon the calculated risk that we shall have 2 years in which to prepare.

So I think the sooner we gear ourselves for this job the better off we shall be. I do not think we can afford the luxury of wishing that it were less. I do not think we can afford the luxury of giving ourselves psychological abuse and telling ourselves how bad off we really are. I submit that, despite the tremendous burdens of defense, despite the taxation which each of our citizens will have to bear, there will still be a higher standard of living in America than anywhere else in the world. There will still be a profit for American industry. There will still be good wages for American workers; and there will still be good prices for American farmers. That is what we are protecting—plus our political freedom and the integrity of our whole economy and political system.

So, Mr. President, I pay a tribute to the committee for a comprehensive and splendid report. I see on the floor the distinguished chairman of the Committee on Foreign Relations, the eminent Senator from Texas [Mr. CONNALLY]. I have read the report and some of the testimony given at the hearings. I read the report three times. Each time I have read it I have been literally filled with amazement at the amount of detail, the philosophy, and the understanding contained in the report with respect to the tremendous problem which faces the American people and the free world. I only say that in a desire to be economical, and in a desire to cut every dollar which the committee felt should be cut without jeopardizing our security, it is my personal opinion that in some areas the committee has cut too much. That is of course, a matter of value judgment. Throughout the debate on the bill and the amendments which will be offered we shall be able to determine how the majority of the Senate feels, and on the basis of that we shall move ahead.

Mr. President, I shall not direct my attention tonight to the measure as a whole. It contains several titles. My friend, the junior Senator from Florida [Mr. SMATHERS] discussed the Latin-American area of the world. Every area of the world is important. That is the trouble, Mr. President. I believe we can understand the importance of the problem when we understand the menace which faces us. It is a totalitarian menace. A totalitarian menace spells out its own definition. It means that it is a total menace all over the world, total in every sense of the word. It is a menace to our very life, it is a menace to our economic system, it is a menace to our political system, it is a menace to faith, and it is a menace to our territorial jurisdiction.

Mr. President, there is no way of meeting a totalitarian threat with piecemeal measures or half-hearted efforts. A totalitarian threat requires total unity and total dedication of purpose of a people. I am happy to see that our country is taking on the responsibility with dignity and with determination. The time has arrived in American life for us to get away from retreat and to start to

move forward. We must move forward with positive affirmation of our faith in democracy and positive affirmation of our goals and objectives.

These objectives and goals are understandable to everyone. They are goals and objectives which are based upon the hope of peace. But the hope of peace is only arrived at by creating conditions which are favorable to the fulfillment of peace.

Those conditions can be spelled out. The first one is our own internal security, strength, mobilization, and industrial capacity. Another condition is the strengthening of our allies. It is not only humanitarian to do so, but it is militarily and economically practical to do so. It represents a recognition of the fact that we need allies, and that they need us.

Another one of our goals is the establishment of a broad, economic program to strengthen the economy of our allies. Another is represented by our propaganda programs, or through our truth, education, and information programs, by means of the Voice of America, for example, and the other areas of press and informational programs.

Mr. President, these are some of the things we are doing. The American people can understand them. The American people know that we must have strength, and they know that we must strike death blows against the diseased soil in the world where communism grows. The diseased soil is filled with hopelessness and frustration. It is filled with all kinds of prejudices and antagonisms. It is our job to help other people to lift themselves out of this mire, not only for themselves, but for ourselves. I repeat that when we talk about a totalitarian menace we must have a world-wide program with which to meet it. It does not mean that we must meet it only on the battlefield. It means that we must meet its ideology, it means that we must meet its propaganda, it means that we must meet its economies, and it means that we must meet its political strategy and political policies.

Mr. President, if there is a weakness which we have demonstrated it is an inability to be sufficiently creative.

I should like to direct my attention to that phase of the bill. All of us understand the importance of armed strength. We are able to put strong armies in the field. We understand industrial development. But we must be creative in psychological warfare and in political strategy. We must get away from the defensive and take the forward-looking and hard-hitting offensive.

I said that I wanted to direct my attention to a particular section of this bill. I refer to title II, the Near East and Africa. I do so not because of any specialized knowledge which I may have about it, although I have tried to study the subject and to know something about it. I used to teach a course in it at one time. I did not do particularly well, but sufficiently well, apparently, to get paid for it.

Particularly since the crisis has developed in Iran, I feel that the Near East is an area to which we should pay particular attention. We need to educate

Americans all over again with respect to different areas of the world.

Every American knows something about European countries, because he had a grandfather, grandmother, great grandmother, or great grandfather who came from a European country. Perhaps one's ancestors came from England. Apparently the Mayflower was a very big ship, because so many ancestors seem to have come over on it. In other words, we can establish a personal identity with a country in Europe. On the other hand, we do not understand all that we should know about the Asiatic area, the Near East, and the Mediterranean area. Some of us rejoice in the little knowledge we have about the Greeks in the third, fourth, fifth, and sixth centuries before Christ. Some of us like to think about the Tiber River and about the glories of Rome. We like to talk about the Mediterranean, but our knowledge of it is primarily of the past.

I submit that one can go from one university to another in our country, in an effort to study the history of the world, and he will generally be able to find courses in the history of the European areas, but it is almost impossible to find a comprehensive treatment of the economics, sociological foundations, cultural background, and political institutions of the Asiatic area or the Near East.

Yes; we are informed students of Europe, the British Commonwealth, and a few of our own insular possessions. However, basically, we have not gone much further than that.

I wish to direct a few general remarks to one of the areas which we ought to know more about. It is the Near East and Africa. It is the area which gave us Carthage, it is the area which gave us the valley of the Euphrates, the valley which constituted the cradle of civilization and in which civilization first moved. It may well be that it will be the area in which civilization will be consumed unless we pay more attention to it.

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

Mr. HUMPHREY. Yes.

Mr. BENTON. As the distinguished Senator from Minnesota knows, having been a teacher, practically all the scholars in this field have stopped in the era of about 2,000 years ago. All the great scholars in the field deal with the valley of the Euphrates, the valley of the Nile, the Assyrian dictionary, and so forth, and our universities put vast sums of money into scholarships in connection with such studies. However, there are virtually no scholars of any eminence who deal with the era to which the Senator from Minnesota has referred.

Mr. HUMPHREY. I thank the Senator from Connecticut. He has certainly hit the nail right on the head. He knows that what he has stated is the sad truth of our educational structure. Great archeological studies have been made; many discoveries have been made; there has been much digging into the ruins of the past; but what we need is to dig into some of the problems of the present. That is what I direct my remarks to.

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

Mr. HUMPHREY. Yes.

Mr. BENTON. As I look at the distinguished senior Senator from Illinois [Mr. DOUGLAS], who sits in front of me, I am reminded, as I remarked the other day, that he was a very distinguished ornament of the faculty of the University of Chicago during my period of interest in the university. I am certain that the Senator from Minnesota is aware of the fact that during 1930 and 1931 the University of Chicago had 13 archeological expeditions operating throughout this area, dealing with the era of around 325 B. C., before the conquest by Alexander the Great, whereas, to my best knowledge—and the distinguished Senator from Illinois knows better about it than I—I do not recall a single eminent member of the faculty who concerned himself with the modern history or the problems of that great and critical area of the world.

Mr. HUMPHREY. When I have two former members of the faculty of the University of Chicago sitting near me, I feel that the process of education comes to me by osmosis. I wish to say to the distinguished Senator from Connecticut that when he calls the Senator from Illinois an ornament, I disagree with him. I would say he is an oracle, not an ornament.

MUTUAL SECURITY AND THE NEAR EAST

Mr. President, in general terms I think it is fair to say that democracy is on trial in the world on a more colossal scale than ever before. A keen political observer, our late President Roosevelt, made that statement more than a generation ago. Were he alive today, he would have good cause to reaffirm it, for our way of life is indeed on trial, not only ours, but that of all free peoples, that of all nations which cherish liberty and what we call the dignity of the common man.

A dynamic totalitarianism, more deadly than any of its predecessors, is stalking the world. Mr. President, I wish to repeat the statement that a dynamic totalitarianism, more deadly than any of its predecessors, is stalking the world. Too often we think that our opposition, our enemy, is not being dynamic, but is just being brutal. However, in fact it is a dynamic power. Its aggressive activities have shocked those of us who know the blessings of freedom into a united effort to preserve them.

Even before the Second World War's close, the Soviet monster had whetted its appetite by subverting legitimate Balkan governments. The first obvious postwar attempt at aggression was the Kremlin's move in northern Iran.

While we were still thinking that we could be friends with the Soviet Union, the Soviet Union was getting ready to move into Iran, in the Near East. That was Russia's first move after the cessation of hostilities against the Axis powers. Russia has tried for years to gain control of that area of the world, as I shall point out in more detail later in my remarks. Russia's move in northern Iran was shortly followed by a renewal of guerrilla warfare in Greece, in the

Mediterranean area, and then came the Berlin blockade, and finally the open assault in Korea.

Mr. President, anyone who is a student of history will remember that it was the Czars and the old Prussians who talked about "Berlin to Bagdad" and "from Moscow to Bagdad." The triangle in which they were interested was from Berlin to Moscow to Bagdad; and they are still at it. That is why the Communists are making the show of power that they are making in East Germany. If the Communists can take over Germany, they will take over Bagdad, the capital of old Persia; and if they take over all of Germany and the Near East, with their great power they will be able to take over most of the world, and then we shall live only by their sufferance.

If the Communists can take over all of Germany, the industrial workshop of Europe, and can also take over the Near East, which is the greatest reservoir of natural resources in the world, with the power which the Communists then will have under their control, they will have the mastery of the world; it will be only a matter of time. Mr. President, it is against this that I speak.

All the moves I have mentioned have dovetailed into the single whole which the free peoples have come to recognize as Stalin and company's master plan for world conquest. All underscore the vital fact that Moscow is prepared to exploit every channel to secure its ends. Propaganda, subversion, sabotage, military attack—all of these are tools in the Kremlin's kit for world revolution.

President Truman recently spelled out the danger faced by the United States and the rest of the free world, and the letters were boldly and clearly drawn. He said:

Our country has greater economic strength and larger potential military power than any other nation on earth. But we do not and we should not stand alone. We cannot maintain our civilization if the rest of the world is split up, subjugated, and organized against us.

The President could not possibly have overemphasized the need of the free world for unity and strength.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD, in connection with my remarks, a survey of the resources of the western countries, as compared with the resources of the U. S. S. R. The survey is a study of the distribution of economic resources.

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

[From the Minneapolis Morning Tribune of May 29, 1951]

WESTERN RESOURCES SURPASS U. S. S. R.'s

In his report to the American Congress in January Gen. Dwight D. Eisenhower declared: "We are going to build for ourselves a secure wall of peace." An analysis of the war potential of the western nations shows beyond any doubt that they possess in full measure the material means to implement this promise.

Together, the North Atlantic Treaty Organization countries have a clear superiority in economic resources and productive power over the Soviet Union and its satellites. If the colonial territories and other overseas

associates are excluded, the total manpower of the western nations is somewhat smaller than that of the Soviet bloc.

On the other hand, their populations are better fed, better educated, more skilled, and much more highly industrialized. The result is that as a producing unit, each man in the Atlantic community is relatively three times as effective as his Soviet counterpart.

In the basic materials—steel, iron, copper, zinc, and cement—the annual output of the Atlantic alliance is four or five times that of the Communist countries. The western nations possess three times as much coal, four times as much electricity, and eight times as much petroleum. In the case of wool, cotton, and rayon, their annual production is six times greater.

The comparison of the total output of agricultural produce is less unfavorable to Russia. But this is to some extent deceptive in view of the larger number of mouths to be fed in the east. In the western countries, grain production is 65 percent, meat supplies 40 percent, and sugar production 50 percent greater than in the east.

It is, perhaps in the means of transport—such a vital element in the modern military organization—that the Soviet economy is relatively weakest of all. In relation to its land area, the western world has four times the length of railway track. It has 14 times as many registered motor vehicles. Its tonnage in merchant shipping is more than 30 times and its tanker tonnage nearly 100 times as great as that possessed by the Soviet countries.

	North America	Western Europe	Total Atlantic allies	Soviet bloc
Population (millions).....	163	299	462	753
National income (million United States dollars).....	228,628	117,500	346,128	100,478
Steel (million metric tons).....	73.5	47.9	121.4	27.5
Textiles (million metric tons).....	4,294	735	5,029.9	824
Grains (million metric tons).....	176.3	65.9	242.2	149.3
Crude petroleum (million metric tons).....	297.6	36.3	333.9	40.0

NOTE.—These figures do not include the resources of the British Commonwealth (apart from Canada) nor those of overseas countries associated with other European nations. The figures given for the Soviet bloc include China.

Distribution of economic resources

	Combined total, 100-percent	
	Atlantic Community	Soviet World
	Percent	Percent
Area.....	44	56
Population.....	31	69
National income.....	65	35
Grains.....	64	36
Livestock.....	58	42
Sugar.....	57	43
Fertilizer.....	67	33
Steel.....	82	18
Pig iron.....	80	20
Copper.....	88	12
Zinc.....	82	18
Cement.....	82	18
Timber.....	38	62
Textiles.....	86	14
Electricity.....	83	17
Coal.....	72	28
Petroleum.....	90	10
Motor vehicles.....	92	8
Tankers.....	97	3
Merchant fleet.....	96	4

Mr. HUMPHREY. Mr. President, Abraham Lincoln borrowed a phrase from the Bible when he said that "a house divided against itself cannot

stand." Mr. Lincoln was thinking in terms of a united nation. Today, we must apply the same reasoning to a united, free world.

Time and again, it has been demonstrated that united strength is the only master to which the Kremlin's strategists will bow. In early 1946, Moscow—disregarding its treaty obligations—refused, as I have said, to withdraw its troops from northern Iran. It also engineered the bloody revolution in the key Azerbaijan province. United democratic pressure, exerted through the United Nations, forced Soviet withdrawal and assisted the Iranian Government to snuff out the fires of revolt.

Mr. President, our own President took a firm stand on that issue. President Truman dispatched to Marshal Stalin a note in which he very curtly said that he expected the Soviet troops to be withdrawn on the date provided by the agreement for their withdrawal. There, again, in the face of a show of determination, purpose, and strength, the Soviet masters yielded.

Communist-led guerrillas, aided and abetted by the Kremlin's Balkan satellites, sought to overthrow the legitimate government of Greece in a campaign beginning in the summer of 1946. The United Nations Security Council took concrete action to bring the situation under control, and the United States acted with the United Nations. American guns and technical assistance helped the courageous Greek armies to drive the guerrillas back into the northern hills.

The Truman doctrine, promulgated on March 12, 1947, represented America's full recognition that hers was the role of keystone in the defensive arch which the free world was just commencing to build. That doctrine was America's recognition that Soviet expansion must be contained if the free nations are to survive. It was America's recognition that neither she nor any other free nation can afford to go it alone.

Mr. President, I say that a decade or a generation from now there will be a clear recognition of the fact that the firm action which the United States took at the time of the Communist attack upon Greece, as the Communists attempted to take over that peninsula which juts into the Mediterranean, may well have been the most decisive action we ever have taken.

Again, Mr. President, I know that wherever and whenever the Communists strike, they strike where there is a strategic reason for striking. They struck in the area of Greece in order to gain control of the Mediterranean. They struck in the area of Korea in order to gain control over the Japanese mainland and over that part of the Pacific area. It is time for us to realize that when we become engaged in that kind of a game, we must go into it, not short of change, but loaded, so as to speak, and prepared to stand firm.

The Marshall plan was but another step—a master stroke, as it has turned out—in the drive to build freedom's bulwark. We have been paying out American dollars to foster Western Europe's

economic stability as a deterrent to aggression, and in the process we have been guaranteeing our own security.

Mr. President, it is about time that we Americans appreciated that which has been stated again and again, namely, that we have not been merely feeding the Europeans or building up their industries, but we have been strengthening ourselves, we have been building up the family of free people, so that we can stand, as equals, as partners participating in a common effort. The drawing up of the North Atlantic Pact in early 1949 and the inauguration of the mutual defense assistance program shortly thereafter were but logical steps in the further development of the democratic world's strength and unity.

Then, Mr. President, we made what I consider to be a prudent and wise decision to send troops to Western Europe. This is all a part of a great program which has been worked out by the people's representatives and by their President and by those who are responsible for our foreign policy. It is the greatest program which any free nation has ever conceived or has ever hoped to put into operation—a program to save humanity, and to preserve the peace and protect and expand freedom. It has been undertaken in the hope that we shall not have to suffer the fire and the destruction of war.

If we Americans want peace and security, we must build the strength of our allies as well as our own; and we ought to quit insulting them. I do not see how we can expect to have friends around the world, even amongst our allies, simply by giving them guns and money, if we continually insult them. Sometimes we might save a little money if we were just a little more kindly toward them. Mr. James Reston, great correspondent for the New York Times, wrote an article which was reported in the Reader's Digest. I think the title read something like this: "We ought to quit insulting our friends"—or "our allies." I suggest that is something we can do, and it would not cost us a penny. We can quit insulting our friends in Great Britain, our friends in France, our friends in all of Western Europe, and our friends elsewhere around the world. To be sure, they have their shortcomings; but if we are to have a debate on the subject of shortcomings, it will be the longest debate in the history of the world, because it will involve the limitations and the liabilities of every human soul on the face of the earth.

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

Mr. HUMPHREY. I am happy to yield to the Senator from Idaho.

Mr. DWORSHAK. Might it not be a good policy for some of our allies to stop insulting the American people?

Mr. HUMPHREY. May I join with my friend from Idaho and say I am trying to speak of love and affection, instead of insult and injury—trying to accentuate the affirmative for a change.

Mr. DWORSHAK. It is a two-way street, is it not?

Mr. HUMPHREY. Indeed, it is.

As I said, if we Americans want peace and security we must build the strength

of our allies as well as our own; and we must also understand what they have to contribute to us. We must understand what it would mean to lose Western Europe. We must understand in terms of what this program calls for, what it would mean to lose Western Europe. As I see this program of \$5,000,000,000 for military assistance to Western Europe, it is high, it seems, on the face of it. But a high price is a bargain, if Western Europe stands firm, because in Western Europe there is the second greatest industrial workshop in the world. In Western Europe are the kind of people who will stand with us.

I recall the brilliant speech of the Senator from Illinois in the troops-for-Europe debate, when he gave us the documentation statistically that Western Europe, in the hands of the Soviet, would throw the balance of power to them.

Failure to strengthen our allies would mean abdication of our responsibilities as leaders of the free world. It would mean standing meekly by as the Kremlin swept the board clean. The Communist aggression in Korea has underscored the rightness of this thesis. Had not the United Nations, inspired by America's action, moved against that aggression, a localized blaze might well have become a global conflagration.

Further, the current Korean peace talks, whatever their outcome, should not lead us to conclude that lambs can lie down with lions. The Kremlin, true to the tradition laid down by Lenin, has always been prepared to back track and cut its immediate losses in the interests of furthering its ultimate strategy of world conquest. The free world must continue to add to its strength, must continue to cement its unity.

Mr. President, I think that if one would take a graph or a chart and see how public opinion runs in America—and sometimes even in Congress, itself—he would find that every time Old Joe Stalin starts cooing like a dove—if anyone can ever think of such a thing, for indeed it would be ironical—whenever he starts to sing sweet words of peace, we start wondering whether it is going to cost too much to remain free. Every time Joe Stalin starts making a new pact, or something in which we can become involved, somebody says, "Well, maybe so; we ought to take a new approach and cut our appropriations, or maybe cut down the armed services."

Mr. President, it will take much more than the subtle cooing of Joe Stalin ever to convince this United States Senator that we ought to back-track 1 inch on the objective we have set before us. Indeed, the fact that he coos should alert us, because he is undoubtedly getting ready to strike some place else, and there is plenty of evidence on the great international horizon that that is exactly what he is intending to do.

My plea to my country, Mr. President, is that we ought to move faster. My plea is that we ought to mobilize sooner and quicker, that we ought to convert more plants to the production we need so desperately.

There is nothing I can see—and of course, I am only one—that would indicate that we are in any better shape

internationally, in terms of peace, than we were the day that the war in Korea broke out. Even if that war is settled on the most favorable terms to the United States and to the United Nations, we can rest assured that the serpent of Communist military aggression will strike again. It will only respect the free peoples of the world when the free peoples are sufficiently strong to make the men of the Kremlin clearly understand that any move on their part will mean their complete, total destruction.

In the meantime, as we do this, we need the other blade of the sword, which is the strong program, the long-developing program of economic, scientific, and technological assistance.

Yes, Mr. President, this Congress is currently considering legislation which may well cap the free world's efforts to erect an insurmountable barrier against aggression. I refer, of course, to the mutual security program. The program is, in essence, not a new one. Rather, it represents the pulling together of all of our economic, technical, and military assistance programs into a single whole. It seeks to give those programs the coordinated direction so essential to making the free world's drive for security of maximum effect.

The mutual security program is dedicated to the premise that positive action is sorely needed in this danger-fraught world. It rests on the further assumption that such action must be shared by all free nations.

We Americans need our allies even as they need us. We cannot afford to see the Russian Bear dine on a Europe whose strategic position, spiritual compatibility, and industrial plant are so essential to freedom's cause.

In my mind's eye, I can see that great black bear of the Soviet simply drooling as it looks at what is in Western Europe. We cannot afford to see southeast Asia fall prey to the Communist onslaught. Today there is a great struggle in southeast Asia, and once in a while I think it would be well for the Congress to pay tribute to the valuable defense of freedom which the French troops and their loyal allies of Viet Nam are making in Indochina. If Indochina were lost, it would be as severe a blow as if we were to lose Korea. The loss of Indochina would mean the loss of Malaya, the loss of Burma and Thailand, and ultimately the conquest of all the south and southeast Asiatic area.

Mr. President, what else would that mean? I had a meeting this afternoon, along with my distinguished colleague and friend the senior Senator from Minnesota [Mr. THYE], with Charles Wilson, with Manly Fleischmann, and others who are in charge of our defense, and I heard the sad story from them that America today is a nation that has a great deal of "have not." We do not have enough nickel. We do not have enough steel. We do not have enough tungsten. We do not have enough chrome. We do not have enough magnesium. We are short of many, many critical materials. We are short of rubber. We are short of tin. We are short of many strategic metals that we need so desperately for our defense system.

Where are those metals to be found, Mr. President? They are to be found in the southeastern Asiatic area. They are to be found in the Near East, the areas I am talking about, and that is exactly why Stalin is trying to get them from us by a war of attrition, to deny us the raw materials which we need so desperately in order to keep a modern industrial machine under way, even in peacetime, much less in wartime.

We cannot afford to see the Near East and Asia fall prey to the Communist onslaught. This, for basic humanitarian as well as for strategic reasons. Nor can we allow the vital, little-understood Near East to slip into the Soviet fold. A communized Near East could easily mean the difference between the retention and loss of our free society, because, Mr. President, history tells us that the Near East is the bridge between the Old World and the New. The Near East, the area known as Asia Minor, the area which is better described as the Mediterranean area, and the Asia Minor section is the great bridge between the mystic lands of Asia and the dark lands of Africa, which may very well spell the balance of power in a great, long struggle between communism and freedom.

We owe it to ourselves as free men to understand fully the issues at stake in the Near East and its environs. Why did President Truman, in introducing the mutual-security program to Congress, ask for \$540,000,000 in military and economic aid for the Near East and nearby African countries? What has the American taxpayer to gain by investing \$540,000,000 in the vast, often arid land bridge which links Eurasia and Africa?

Let us take a look-see. But, first of all, Mr. President, I shall quote from the committee report so as to identify that area more specifically. The committee report, on page 26, has this to say:

Title II covers the area comprised of Egypt, Ethiopia, Greece, Iran, Iraq, Israel, Jordan, Lebanon, Liberia, Libya, Saudi Arabia, Syria, Turkey, and Yemen. (Greece and Turkey are dealt with under title I of this report as economic assistance for them is included therein. Military aid for these countries is authorized in the bill under title II.) This area is of great strategic importance. It contains some of the world's major air and sea lanes, is a highway and an access route between Asia and Africa, and possesses valuable strategic materials, especially petroleum. Because of these great assets the region, although a part of the free world, has been under constant Soviet pressure, notably propaganda, subversion, and guerrilla warfare.

The Soviet Union has made capital of the racial antagonism, the social unrest and the widespread poverty which prevails among the people of the Near East. In Iran, for example, the Soviet Union is now exploiting the prevailing poverty to spread doubts abroad and hostility toward the Western World without offering any constructive program with which to correct the basic needs of Iran.

Our problem is that we must have a program. We are not out to ruin the world; we are out to help it. The Soviet has a program of lying and cheating, deception and force—all the basic evils. We find ourselves frequently being critical of our efforts. We have to create new ideas—clean, good, and constructive.

Russia merely has to appeal to that which mankind has known since the time Adam ate the apple—the forces of evil.

Let us talk about the Near East, or the Middle East, as the British call it. It has long been the scene of great-power struggle. For some 150 years its domination has been Russia's ambition.

I would recommend at this time to my colleagues that they study some of the great histories which have been written about the Near East, some of the great documents which have been written on world power and world politics. It involves an ambition which the Czars have had in the back of their mind ever since the time of Peter the Great when he first opened his eyes to the rest of the world and the domination of the Near East. It is part of the national imperialistic history of the rulers of Russia.

Only the presence of a strong and determined British Empire astride the Mediterranean served to hold that ambition in check. As long ago as 1813, the Persians were forced to cede much of what is now the Russian Caucasus area to the Czar. And there is an abundance of historical evidence testifying to the certainty that the Russians were prepared to drive on to the Persian Gulf if but given the opportunity. The British never gave them that opportunity—and for good reason.

We can say all we want to about the British. I do not suppose they were being charitable at that time, but it was better to have the British there than to have Russian domination; and right now it would be better if the British and the United States were there rather than Soviet Russia.

Stalin is no less greedy for near eastern spoils than were the czars. We have only to glance at the recently published documents on Nazi-Soviet relations for verification. In November 1940, Molotov, who was the Soviet Foreign Minister at that time, laid down the conditions under which the Russians would agree to divide up the postwar world with the Axis Powers. One of those conditions was that Hitler recognize Soviet aspirations in the area south of Baku and Batum in the general direction of Iran and the Persian Gulf.

When the dictators were dividing up the world, Stalin said to Hitler, "Listen; we have been waiting around here since the time of Peter the Great to get hold of the Near East, and if we are going to join with you, we want that area of the world."

Clearly, the Russian bear was all too eager to scrape his claws across the Mediterranean.

The story has been pretty much the same since World War II's end. Moscow's pressure on Iran, its demands that Turkey agree to place the vital Dardanelles under Soviet domination, its inspiration of rebellion in Greece—all these things substantiate the Soviet's continued longing for the Near East. The traditional drive for warm-water ports and a seat in the Mediterranean sun has joined Marxist dogma to make the Soviet threat to the south more formidable than that of the czars ever was.

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

Mr. HUMPHREY. I yield to the Senator from West Virginia.

Mr. KILGORE. Russia has complained of being excluded from warm-water ports; has she not?

Mr. HUMPHREY. That has been the rationalization.

Mr. KILGORE. And that is the old imperialistic attitude. They hope to get warm-water ports by a conquest of Turkey, Iran, and the Near East.

Mr. HUMPHREY. That is correct; the Senator is absolutely right. The traditional drive for warm-water ports is a part of the Russian program today.

Mr. KILGORE. Is not that one of the best pieces of propaganda that can be imposed on the Russian peasant as a reason why he should join in trying to conquer the rest of the world?

Mr. HUMPHREY. That is correct. The line of the Soviet has been, "You stick with us, and we will get you a warm-water port. We shall control the Dardanelles, and you can enjoy the wonders of that great area."

The Soviet urge for the Mediterranean and America's stake there are well summarized in a recent policy statement issued by the United States Chamber of Commerce. Declared the Chamber:

Both in strategic position and in natural resources, the Near East and the Middle East occupy a critical position in the world today. This area is one of the crucial directions of Soviet expansion. The strength and stability of all countries in this region is essential to American security.

The Chamber of Commerce speaks wise words.

Historically, the Near East has more than done justice to its role as an intercontinental land bridge. It has ever been the route of conquerors—the great and the near-great. Alexander of Macedonia, the Seljuk Turks, Genghis Khan, Tamerlane—all swept to control of the area through exercising that control for varying periods of time. And the Ottoman Turks consolidated both the Mediterranean countries and southeastern Europe into an empire that endured for over 300 years.

As a global center of communications, the Near East is truly crucial to the free world today even as it was during World War II. It lies athwart the principal lines of sea and air communication in the Eastern Hemisphere. Domination of the Mediterranean by a European superpower—and the Soviet Union is such a superpower—could easily mean control of Africa, Asia, and ultimately of the world.

Winston Churchill stressed the strategic importance of the Near East in a recent book. He pointed out that Axis air power was able to close the entire eastern Mediterranean to Allied shipping for months during World War II by utilizing bases in Southern Europe and on the north African coast. It was only after Rommel's defeat in Libya that the Allies were able to use the Mediterranean with impunity. The denial of the vital waterway to Allied shipping undoubtedly exacted a tremendous toll in lives as well as in time and dollars.

This situation, Mr. President, lucidly points up the military significance of the Near East and North Africa. Can you conceive of what it would mean to the free world if the Soviet Union were to control the Mediterranean at the outset of another global conflict? Can you imagine what such control would cost us?

The manpower resources of the Mediterranean and adjacent areas are likewise significant. An estimated 100,000,000 people live here at the crossroads of the world. These people can be depended upon to support the cause of freedom if given the wherewithal to better their economic position and to withstand the threat of aggression. The Arab States and Israel alone have some 250,000 men under arms, many of them well trained in the use of modern military equipment. Along with the forces of Greece and Turkey, these troops—if properly supported—can constitute an effective weapon in the arsenal of democracy.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that Israel has compulsory military service, and, therefore, could put 200,000 men into the field?

Mr. HUMPHREY. That is correct. They have had compulsory military service ever since the inception of their State.

Mr. DOUGLAS. They have had compulsory military service, as well as compulsory civilian service, for a period of approximately 2 years, have they not?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. So that Israel has probably the strongest army in the Near East.

Mr. HUMPHREY. I will say to the Senator from Illinois, who has taken such a deep interest in the economic welfare of the new State of Israel, that it appears to me that the State of Israel is one of our strongest links in the Near East, and that she can make great contribution, not only to the stability of that area, but to the whole force of freedom in the Mediterranean and in Eastern Europe.

Mr. DOUGLAS. If the Senator will further permit me—

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I hope I do not reflect unduly upon the State Department, but is it not true that the predictions of the State Department concerning Israel have been shown to be almost completely false? The State Department expected Israel to go down. The State Department expected that Israel would not be able to defend itself. The truth of the matter is that not only did Israel defend itself against the Arab attack, but it has built up a strong nation of Israel.

Mr. HUMPHREY. I know that there was a period of time when our Government was surely vacillating about the recognition of the independent status of Israel. I have long worked for a free and independent Palestine.

Mr. DOUGLAS. I think it is a general understanding that the State Department was hostile to Israel, that the

Department adopted a pro-Arab and pro-British attitude and position by shutting off aid to Israel, and expected Israel to go down. I think that background should be considered, because a great many of those approaches still carry over in spite of the fact that history has shown them to be false.

Mr. HUMPHREY. In reply to the Senator from Illinois, I will say that it should be clear now even to those who had the strongest doubts, that because of its valiant people this little nation is firmly implanted and will survive. It has the will to survive; I emphasize that. What Israel has done is another demonstration of the fact that if a nation has the will to live, it can survive against tremendous odds. The armies of several nations moved against Israel, and yet she survived, and she will continue to survive. I intended to point that out later in my speech, but inasmuch as it has now been brought up, I shall deal with it at this point.

Let us take a look at the State of Israel. Israel is in an arid area of the world that is supposed to be literally lost. Its soil was exploited. Its people were oppressed. Yet in that poverty-stricken, arid region of the world, a determined people, with creative ability, with ingenuity, with perseverance, with limited economic resources, have literally converted vast areas of that country into a fertile garden.

My legislative counsel is visiting Israel, and I have received many letters from him. He says that present day Israel is one of the most thrilling and inspiring sights he has ever seen. The people have been able to take the soil, which was as dry as the sand one finds on the side of the road, an area that was naked, without any covering whatsoever, and by means of irrigation, by the use of science and technology, literally to create whole areas into rich farm lands producing all sorts of fruits, vegetables, and cereal grains. I think that is a great example of what can be done by the will of the people and the application of science to the building up of a nation.

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

Mr. HUMPHREY. I yield.

Mr. BENTON. Does not the Senator from Minnesota think that in emphasizing the great development of irrigation and the farms he may be tending to overlook the remarkable industrial progress in Israel? Is he aware of the fact that Israel is already producing a high percentage of the arms for its army of 200,000 men? Is he aware of the fact that the population, doubling in the last 3 or 4 years, has unleashed in the industrial field the kind of enterprise and initiative which we like to associate with the best of what we call the enterprise system in the United States?

Mr. HUMPHREY. I thank the Senator from Connecticut for that contribution, because he is intimately acquainted with this development. I was aware, in broader terms, I may say to the Senator, without all the details the Senator has, that there had been great industrial development. And there is going to be more of it, because these people of Israel

are determined to live. I say that the best example we can have for the unprivileged peoples of the world is a laboratory of democracy. I look upon the State of Israel as an experiment station in the free way of life. She is a living demonstration of freedom on the march.

In our country we have what are called agricultural experiment stations. There is where we try out new ideas in agricultural methods and practices. In Israel we find a land which has been, through the centuries, depleted of its fertility, its soil destroyed. Here we see a new model state, created out of that soil by means of the will and the work of its people. Here we have a source of what we may call propaganda for the way of life the people of Israel have adopted. Here we see an example of what freemen can accomplish. Here we see what a free people, by their will and their work and by applying science, have been able to create. It is a laboratory in which a free people have demonstrated what can be done in a democracy.

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

Mr. HUMPHREY. I yield.

Mr. KILGORE. I know that the people of Israel have done what they once did, and made of Palestine a paradise for farming and also for industry. I wish to ask the Senator if he is aware that there are two other gateways to heavy commerce, one being the line of islands that separates the Indian Ocean from the Pacific, and the other being the Panama Canal.

Mr. HUMPHREY. That is correct.

Mr. KILGORE. The Senator is no doubt aware that until World War II European nations practically controlled ingress to and egress from the Panama Canal, through the Caribbean, and that originally the same group controlled the islands that permit the egress of heavy industry from the Indian Ocean to the Pacific. Since that time there has sprung up in the Far East the Republic of Indonesia, which controls the self-same islands which used to be controlled by the Dutch, the French, and the British, and that gateway is now under the control of the Republic of Indonesia.

Mr. HUMPHREY. That is correct.

Mr. KILGORE. The islands that control ingress to and egress from the Panama Canal are still controlled by countries of Western Europe. So I ask the Senator: Is it not a safe conclusion that it is a very wise investment for the United States of America to bolster the Republic of Indonesia, to bolster the Western European countries that help us control the Panama Canal, which is one of the three gateways, along with the Mediterranean, as well as to help bolster up the Near East, including the State of Israel, in order that we may continue the control of vast sea areas for the transportation of heavy freight, which cannot be flown, which must be carried in ships. Without control of those islands, ships will be denied passage. Those three groups must be protected in their efforts to strengthen their economy and to strengthen our economy along with it, by remaining strong and able to resist aggression by hostile countries?

Mr. HUMPHREY. The Senator from West Virginia is certainly correct. He surely knows that our country has been making determined efforts in southeast Asia along the lines he has suggested, and the same should be done in the Middle East.

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

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I do not want to ride the State Department too severely, but is it not true that in the initial phases of the Indonesian struggle for independence, the State Department was, on the whole, on the side of the Dutch, and handicapped Dr. Graham very much in his negotiations, and that it was Dr. Graham, working almost alone against the opposition of the State Department, who was able to bring about a policy of friendship for Indonesia and the creation of an independent republic of Indonesia?

Mr. HUMPHREY. I think the Senator from Illinois is definitely correct. The State Department does not seem to have carried on in the fervid spirit of democracy with which it has expressed itself. I think it was Mr. Cochran who followed Dr. Graham.

Mr. DOUGLAS. Yes.

Mr. HUMPHREY. He did a remarkably fine job. I wish to add that it seems that in many of these instances we lost the spirit of venture and the revolutionary spirit which was ours; too frequently, when people who had been under the domination of other powers aspired to freedom we sort of felt we have a commitment to maintain the status quo. Of course, it is easy for the Soviet and the Communist international movement to stir up trouble. That is what they want to do. If they can stir up enough trouble they will be able to take over.

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

Mr. HUMPHREY. I yield.

Mr. BENTON. If the distinguished Senator from Illinois [Mr. DOUGLAS] is correct, would not this seem to indicate that the charges that Communists dominate the State Department are wholly false? Is not his statement in direct contradiction to any intimation of Communist domination of State Department policies?

Mr. HUMPHREY. I am convinced that the statement of the Senator from Illinois is correct, and I am convinced that the charges of Communist domination in the State Department are ridiculous.

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

Mr. HUMPHREY. I yield.

Mr. KILGORE. Is it not plainly evident that, if anything, the State Department is a little too conservative, and that it should not be charged by the advocates of conservatism, as they have so frequently done, with not being conservative enough?

Mr. HUMPHREY. From my point of view, the State Department frequently does not venture forth, as it well might, with creative and imaginative ideas. Sometimes it is addicted to the love of the past and the security it gives. If

the Senator is saying that the State Department is too conservative, that is a matter of individual judgment. I simply say that sometimes it is a little slow on the uptake. That has been well documented.

Mr. KILGORE. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. KILGORE. When I said "conservative," I meant that it was dealing with the past. The critics of the Department charge it with going too far into the future. It is plainly evident that in making the mistake of not supporting the ideas of Dr. Graham, our former colleague, at the outset, the Department was plainly sticking to rather hide-bound principles of the past, which members of the Department say they defend so loyally and so conservatively, instead of branching out and looking at the situation as it now exists, as did Dr. Graham and his successor. Is not that the Senator's idea?

Mr. HUMPHREY. The State Department was trying to take into consideration, first, our relationships with the Dutch. At the same time, I suppose it was somewhat reluctant to recognize this upstart nation. There are always those who resent the new. There are always those who feel that we have had ours, and that we should not let anyone else get in. I do not think we should be too critical of those who have offered us advice and counsel from the State Department. They have forwarded some sensible and practicable programs, but I think it is fair to say that they are not programs which are revolutionary. They are not programs beyond the realm of practicability. They are sound and practical programs. Possibly the Department has gone as fast as it could in terms of some of the obvious conflict which exists, even on the floor of the Senate. The Department frequently finds itself criticized on the one hand for spurious activities, and on the other hand finds itself being branded for subversive activities. From still other quarters it finds itself criticized for no activity.

If we pass this bill and add a few more dollars to it—my friend the Senator from Illinois is going to speak a little later on his amendment relating to the Near East—I think we can make some progress.

Mr. KILGORE. Mr. President, will the Senator yield for one further question?

Mr. HUMPHREY. Mr. President, I should like to conclude at this point.

Mr. KILGORE. Very well.

Mr. HUMPHREY. Mr. President, we have heard a great deal about the oil resources of this area. Oil—the black gold so essential in a technological age—is the treasure of the Persian Gulf. It has been also a major bone of contention among the big powers for generations. Recent newspaper headlines indicate clearly that its status in this respect has changed little. Near eastern oil is estimated to account for about 50 percent of the world's total indicated reserves. Normally, Western Europe gets about three-quarters of its oil from the Near East. The United Kingdom

gets about one-fourth of its oil from there. In 1950 Iran's production alone was 6 percent of the world's total. Iran also boasts the world's largest oil refinery—the huge British-built installation at Abadan.

I think it is pretty obvious what the Soviet is attempting to do in this area. If she can disrupt the production of petroleum and petroleum products, if she can create a contention and disturbance and revolution in these areas, if she can drive one group against another, she is going to deny Western Europe three-quarters of all the oil Western Europe now has. The industrial machine of Western Europe will not work without oil, any better than will ours. At the same time, it is possible for Russia, with proper planning and proper construction, to be able to get a good deal of that oil. I do not believe that the Soviet would get as much of that oil from the Near East as some people think it would, but it would prevent other people from getting it. That is why right now the materials-control plan of our Government is being revised and steel for civilian production is being cut down. We must build more oil refineries in the United States. We must build substantially larger numbers of oil refineries in the United States. Why? Because we are unsure as to how much oil we will get out of the Near East. That is why some small-business men have not been able to get steel. That is why contractors cannot get structural steel. Because of what is happening in the Near East, because of the threat to the oil supplies, the plans of our Government have had to be revised in terms of the refining of petroleum products.

Oil is the lifeblood of an important segment of industry in peace. It is equally vital in war. If the free world were to lose access to the Near East's oil, the strain on its other sources might well be so great as to create a major emergency.

What, then, does the Near East mean to the free world? It can mean the difference between salvation and disaster. Strategic position, essential communications, basic natural resources, an awakening, self-assertive segment of humanity—all of these are characteristic of the area. Absorbed by the Soviet colossus, the Near East could easily weight the scales of power—now tilted in favor of the democracies—to the Kremlin's advantage. The Mediterranean was the cradle of civilization. We must beware lest it become civilization's grave.

What are the chances that the Near East will swing into the Soviet orbit? This is, perhaps, one of those delicate questions. But it is also a crucial one. And it must be faced. For the Middle East today is truly one of democracy's vulnerable spots. It has long been what political scientists refer to as a "vacuum" area—an area so instable as to invite a contest of power. It is fully representative of the global conflict between the forces of freedom and those of totalitarianism.

When I read in a very famous document on political science that this was called a "vacuum" area, I remembered what Gromyko once said. Gromyko

once said that whenever there is a vacuum in world politics the Soviet Union rushes in. That is what she has been doing in this area.

A wise man once said that "poverty is no sin." But, Mr. President, poverty can be an inducement to sin. And poverty is virtually a synonym for much of the Near East. Its terrible reign among the millions of little people is literally manna from the heavens for the Soviet goliath. Harassed by an outmoded, grossly unfair land-tenure system, ravaged by disease, hungry and illiterate, the great majority of the Near East's population make an excellent target for Soviet propaganda and subversion.

If any of my colleagues are inclined to question my estimate of the general situation in the Near East, I refer them to an article written by Supreme Court Justice William Douglas in a recent edition of *Life* magazine. Justice Douglas, as you know, has something more than a scholarly acquaintance with the Near East. He has spent considerable time there.

To those who cannot accept the word of Justice Douglas, I say make use of any other objective report. Converse with those who have visited this area, and learn what the true conditions are.

In his article, the Justice not only sketches the typical peasant's poverty-ridden existence in some detail. He goes further. He demonstrates—by example—how the Soviets have played upon the conditions of the people and have thus made considerable headway. He asserts that Communist propagandists have sold the new society to hundreds of thousands of militant tribesmen to whom virtually any alternative would be preferable to their current miserly existence. He makes the telling observation that people who exist on a subsistence diet are nevertheless well equipped with radios, all too many of them persistently tuned to Radio Moscow.

It is very interesting to note that the radios are not supplied through some local radio salesman. They are cleverly supplied by the Communist agents in the area.

Statistics on the Mediterranean area tend to support Justice Douglas' assertions to the hilt. When compared with statistics on our own country, they vividly point up the wide gap existing between poverty and plenty. The average Arab peasant is fortunate to get 2,000 calories a day. The average American gets at least a thousand more. The average life expectancy in the Arab countries is about 30. In our own country it is in the middle 60's, and going up.

The infant mortality rate in many parts of the Middle East is shocking—one in every four births. In our country it is less than one in every thirty. The average income, in cash and kind, is some \$50 a year in a typical Arab country. In 1949, the average American income for individuals was better than \$1,800 per year. When the Iranian or Arab peasant is forced to borrow to make ends meet, it is common practice for the lender to charge him as much as 30 percent interest. The average American farmer can get a sizable loan at 4½ to 5 percent.

The Mediterranean countries are, with few exceptions, overwhelmingly dependent upon agriculture. Heavy industry is virtually nonexistent. Light industry is in an embryonic state, Israel, as was pointed out a few minutes ago, being virtually the only exception to the rule in this respect. Despite the Near East's dependence on agriculture, the average yield in most countries of the area is well below that of the United States.

These statistics which I have just cited may seem dull. But they are vitally important. They paint a grisly picture which puts the proverbial four horsemen of the apocalypse to shame. They indicate all too clearly why Communist ideology is as much a menace in the Near East today as is Soviet military might.

I believe they point out that we need both the military and economic aspects of a program. The Soviets depend not only on armor, but on ideology. Soviet ideology has its effect among the depressed, oppressed, and exploited people of the world.

I hear so many people talk about the money that such a program will cost, particularly with respect to its economic aspects. They are sometimes called the frills of our foreign policy. Mr. President, it takes more than military assistance in an area such as the Near East. It takes very careful planning, social development, general welfare, land development, and soil conservation. Those are things that we know about. They are the things we can do best. We know about public health, education, soil conservation, generation of electric power, and irrigation. Those are things about which millions of Americans know, and it is not necessary to have universal military training to get it. We do not need to build an army for it. We can recruit the people and train them. Mr. President, I say we had better get busy about doing it.

If I have any criticism at all of the measure which we are debating it is that there is too little emphasis upon the broad program known as Point 4. I repeat that the Point 4 program is the most practical and the most durable enterprise of all. It is a program which in the long run may well be the answer to our own huge economic needs. The Point 4 program produces wealth. The Point 4 program makes possible production. We in America, after we have tooled up our factories for military purposes, when peace comes, we shall have this tremendous industrial establishment, and we shall be faced with the program of where we are to sell our goods. We shall have to export, because we are building up an export economy. Now we are exporting military supplies. Some day we shall have to export the supplies of peace.

Where are we going to export this supply? One cannot export to people who cannot buy. Unless we develop the soil and the markets, by our help and their help, with this broad and bold program, which is known as Point 4, we may find that we shall have to give them the money with which to buy our goods in order to keep our factories going.

I submit that those who think about economy had better think about Point 4, and those who are worried about what the mutual defense effort will cost had better think about the next decade or so. If the American policy is not to be a catch-as-catch-can economy, or a fire-department policy which goes around putting out fires after they have started, we had better look to a sound program on which we can base action for the future. I say that if we could lift the standard of living of the people living in the Near East and the Far East by as little as \$50 a year per person, the United States of America would have to double every bit of its production in order to even touch the market, and then it might not even come close.

I repeat, Mr. President, if we could raise the income of every single person in the Asiatic area and the African area \$50 a year more than he now receives—we would not be able to produce enough farm machinery, we would not be able to produce enough food and fiber, we would not be able to produce enough in the way of manufactured goods, even to come close to satisfying the market. So it is good business for the great exporting, highly industrialized economy of the United States of America; it is good business.

The day of colonization is all over. We have to look to the day when these people will lift their own levels of living and thereby become customers for themselves in their own area, and for us.

Mr. President, I think of this problem in terms of the bill. I notice that for the Near East there is a provision for military assistance in the amount of \$396,250,000, and for economic assistance in the amount of \$122,500,000.

I know that the immediate threat is military. I am not going to be one of these starry-eyed gazing philosophers. I realize we have to come to grips with the realities of the day, and the Soviet has troops ready to march. But we also have to exercise what I call a prudent, balanced judgment. We have to know how much to put into the military to meet the immediate threat, and how much to put into the economic side to sustain the people for the long-run development.

Mr. President, we hear many Members of the Senate say, "We cannot carry the world on our backs forever." If that is true—and I agree with that sentiment—we have to see that some are able to carry their own load, and they cannot carry the load without a strong productive economy. That means the implementation of the Point 4 program particularly, which is the soundest investment we can make.

Mr. President, speaking of the people in the areas affected who are sick, and the illiterate, I think it is fair to say that this sensitive Near East situation is further aggravated by the Arab refugees—the poor unfortunates who lost their homes as the result of the bitter struggle for Palestine. The 1949 armistices, brought about through United Nations efforts, restored a measure of stability to the disputed areas and saw the new state of Israel take its place as an effective entity in the family of

nations. It also posed the problem of feeding, clothing, and housing three-quarters of a million poverty-stricken souls.

Here was a made-to-order opportunity for the Kremlin. Here was the means of fostering dissension through exploiting the emotions of a new group of underprivileged. Here was a new population pressure upon the economies of the Arab states bordering Palestine—states which were already hard-pressed to provide employment for their own inhabitants.

Fortunately, the United Nations moved rapidly to cope with the problem. The United Nations Relief and Works Agency for Palestine and the Near East has managed to provide the refugees with a minimum standard of living, and has begun the slow but essential task of relocating them. Our country has contributed some \$43,000,000 to these operations to date. And that money has gone far toward making a good beginning. But it is only a beginning.

This, then, is the somewhat dismal picture of conditions in the Near East and contiguous areas. What can we, as Americans, do to change that picture? More pertinent, what must we do? Our basic humanitarian instincts prompt us to help the Mediterranean peoples to pull themselves up by their bootstraps. Our security, and that of the entire free world, demands that we do just that.

We must help these peoples to develop their economies and to raise their standards of living. We must help them build the strength necessary to preserve their freedom. Only thus can we discourage aggression from without and subversion from within. Only thus can we strengthen the will to achieve stability and progress. Only thus can we remove the sources of dissidence and unrest which currently preclude the growth of stability and the onward march of progress.

Mr. President, this morning there came to my office a group of young men and young women who had attended a world youth conference at Cornell University, a conference in complete contrast to the Communist youth congress which was recently held in east Berlin. They are young people of the free nations. I had a good visit with them. Many of them were colored people; they came from North Africa, from New Guinea, and from other parts of the world. The first question they asked me was: "Senator, we know that you have given much aid to Western Europe, but those are countries of white people. Will you give the same kind of aid to the colored peoples?"

I said, "Why do you ask me this question?"

They said, "Because this is what the Communists say you will not do."

Mr. President, those were the questions and comments of a young man from North Africa, and also one from British Guiana. They told me that the Communist movement in one of those areas now is working on the basis that there will be no help from America, wherever there is a problem on the basis of race.

I think we can prove what a lie the Communists are telling, by what we do in this bill; and I told those young people so. I said, "America wants to help those who need help and who want to help themselves." That is what we are attempting to do by means of the pending bill, Mr. President.

The Near East and North African areas today lack certain essential natural resources. They lack credit, labor exchange, insurance, and other institutions essential to a going economy. Their transportation facilities are both archaic and limited. They urgently require a reservoir of skilled manpower and professional and executive talent capable of putting that reservoir to optimum use. They vitally need that assurance of a minimum security which will inculcate a desire to take risks, a desire to modify their socio-economic customs sufficiently to permit the advance of technology.

The peoples of the Mediterranean need both modern know-how and the rudimentary tools for putting that know-how to work. They need to know that the rest of the free world is aware of their problems. They need to know that America, as the heart of the free peoples' drive for security, is willing and able to help them solve those problems.

Working with and through the United Nations, we Americans already have done much for the countries of the Near East and North Africa. Our military missions in Turkey, Greece, and Iran have helped those nations to modernize their armed forces and to master the military techniques so essential to their defense.

Mr. President, I think it is fair to say that there are no better troops in the world, as our friends and allies today, than the troops of Turkey and of Greece.

Our economic missions have striven to see to it that aid coming into these countries has been used to maximum effect.

American enterprise, public and private, has begun to help these underdeveloped areas to fight the battles of disease, famine, and illiteracy. The United Nations Economy Survey Mission, headed by an American, Gordon R. Clapp, pointed out the road to establishment of a modern soil-conservation, flood-control, and irrigation system in the Arab States. Construction of the pilot installations recommended by the Clapp mission would help to convert an inefficient agrarianism into an efficient, scientific, agricultural economy. Only a few weeks ago, America's Point 4 program was instrumental in saving a sizable portion of Iran's crop production. Technicians, using the most modern devices and spray compounds, destroyed some of the pests which annually kill off about 15 percent of Iran's crops.

Current Point 4 plans call for near-eastern students and leaders to come to the United States for study and observation. They will familiarize themselves with American culture. They will learn something about the most modern agricultural and industrial techniques. Welcomed as equals and friends, they will tell the American story when they return home, and they will tell it hon-

estly. Trained through America's generosity, they will carry with them the technical knowledge whereby the pressing problem of poverty can be tackled at its source.

Yes, we Americans have done much. We have helped to sell the cause of freedom on the shores of the Mediterranean, at Russia's very back door. But we have yet to do more. We have not done enough.

In presenting the mutual security program to this Congress, President Truman outlined the scope of the problem facing the free world in the Near East and the steps that he believes need to be taken to cope with that problem.

He said—and I think these are wise words:

There is no single formula for increasing stability and security in the Middle East. With the help of American military and economic assistance, Soviet pressure has already been firmly resisted in Turkey and Soviet-inspired guerrilla war has been decisively defeated in Greece.

But the pressure against the Middle East is unrelenting. It can be overcome only by a continued build-up of armed defenses and the fostering of economic development. Only through such measures can these peoples advance toward stability and improved living conditions, and be assured that their aims can best be achieved through strengthening their associations with the free world.

President Truman recommended \$415,000,000 in military aid for Greece, Turkey, and Iran, a portion of this aid to be made available for other near eastern nations if necessary. He also asked for \$125,000,000 in economic aid for the Near East, \$50,000,000 of that sum being earmarked for assistance to the Arab refugees from Palestine. The President's economic-aid recommendation also included programs of technical assistance for Libya, Liberia, and Ethiopia. These independent African states, Mr. Truman noted, have economic problems similar to those of the near eastern countries.

It is my firm conviction that the administration's request for funds for the Near East area—like the mutual-security program as a whole—is a sound one. It is my conviction that \$540,000,000 invested in the Near East represents a bona fide investment in American security.

I regret that in the bill as reported by the committee, that amount is reduced to \$518,000,000. I think it should be restored to the amount originally requested, namely, \$540,000,000. It is my conviction that failure to make that investment is tantamount to opening the floodgates for the southward surge of the Soviet tide.

Mr. President, the fate of our free society rests with the fate of the free world as a whole. The two are inseparable. There are only two courses open to America today: Either we continue to build the strength of ourselves and our allies to the point which will serve to keep Soviet expansionism in check, or we withdraw within an isolationist shell to be cracked by the Kremlin at will. There is no in-between path which the United States can safely tread.

The peoples of the Near East represent an essential link in the free world's defensive network. These peoples want peace, freedom, and a decent standard of living. We can and must help them to achieve their aims. Only by doing so can we retain them as allies and hold the Soviets at bay. Only by doing so can we fulfill our moral obligations to the free world as a whole.

Mr. President, this is a dangerous age. No longer can we take our precious freedoms for granted. We must pay a price for our security, and that price comes high. The mutual-security program represents a sizable outlay of American dollars, but it means greater strength for the free world in the global battle against communism. We must meet the costs of mutual security because they are the costs of survival.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the committee amendment which is proposed as a substitute for the text of the bill as passed by the House of Representatives.

Without objection—

Mr. KNOWLAND. Mr. President—

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. BENTON. Mr. President, I wish to ask a question of the Senator from Minnesota, if the Senator from California will defer, to permit me to do so. Mr. KNOWLAND. Certainly.

Mr. BENTON. Is the Senator from Minnesota aware that 600,000 persons have immigrated into Israel in the past 3 years?

Mr. HUMPHREY. I am, and I understand that a similar number will go there in the next few years.

Mr. BENTON. Yes.

Is the Senator from Minnesota aware that if there were a similar increase in the population of the United States between the present time and 1954, it would mean—when the figures are given on a proportionate basis—the immigration into our country of 70,000,000 persons?

Mr. HUMPHREY. Yes; on a proportionate basis.

Mr. BENTON. In these figures I am referring to the situation between today and 1954, and I am not including the 600,000 persons who entered Israel in the past 3 years.

Mr. HUMPHREY. Yes.

Mr. BENTON. Is the Senator from Minnesota aware that those 600,000 persons represent a 75-percent increase in the population of Israel?

Mr. HUMPHREY. Yes; and, in addition, another 600,000 will be added, as the Senator has pointed out.

Mr. BENTON. Is the Senator from Minnesota aware that that means a 200-percent increase in the population of Israel since Israel was established?

Mr. HUMPHREY. That is correct.

Mr. BENTON. I should like to ask a question which I think is based on a matter which is of especial interest to the Senator from Minnesota, as well as to myself, and which is in line with our interest in bringing into the United States orphaned children, for their edu-

cation. This is the question: Is the Senator from Minnesota aware of the fact that Israel is bringing in 1,000 orphan children each month from 62 different countries, and providing them with very extraordinary care and education and advantages?

Mr. HUMPHREY. I have read many of the documents which have been issued by such organizations as the United Jewish Appeal—just as one group—about the number of orphans and immigrants who come into Israel, and I know that there has been great generosity both on the part of the people of Israel and on the part of our own people in America. I have attended some of the gatherings at which they have literally given and given and given until it hurt, in order to afford someone an opportunity to live and to have a home.

Mr. BENTON. The Senator reminds me of my experience on a Montana homestead—and perhaps I am reminded of it because I see the distinguished Senator from Montana on the floor. Is it not frequently true that the people who have the least open up the most and are the most generous; and is not that what is going on in Israel today?

Mr. HUMPHREY. That is true.

Mr. BENTON. Is the Senator aware of the fact that Fortune magazine has called Israel's foreign-investment law a model law?

Mr. HUMPHREY. I was not aware of the Fortune magazine article. I have been very familiar, however, with the recent financial efforts on the part of the Government of Israel to finance its new undertakings and to stabilize its economy. I know that a \$1,500,000,000 program has been outlined, \$500,000,000 to come from their own people, as a result of their sheer austerity, out of their income or revenue; \$500,000,000 to come from a bond sale, and \$500,000,000 by way of contributions.

Mr. BENTON. Is the Senator aware that 25 percent of the total national product of Israel in 1949 went into capital investment, as did 30 percent of the total national product in 1950? To the best of my knowledge, such figures as those have never been equaled at any previous time by any country.

Mr. HUMPHREY. I thank the Senator for this detailed information. As I said to him earlier, pamphlets may be distributed all over the world about how things ought to be. One can go around making radio speeches telling folks how to live, but there is nothing better than precept and example; and what I see in this state of Israel in the Near East indicates that it is like a lighthouse of freedom; it is an experimentation of democracy. It has its problems, it has its weaknesses, and it has its limitations, but it moves ahead as a courageous and strong nation.

Mr. BENTON. Mr. President, will the Senator yield for one final question?

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

Mr. BENTON. In line with my earlier question, when I interrupted the Senator's very able and distinguished and

eloquent address, with which I am in complete accord, and on which I congratulate the distinguished Senator, is he aware that making possible a great deal of the industrial development of Israel today, which is being generated at an accelerated rate, with thousands and thousands of new, small manufacturing businesses being established in countless lines of business, much of the capital is coming from the United States, including investments by the General Tire Co., the Kaiser Co., and many other American corporations as well? So the United States, strictly on a commercial basis, through its private citizens, is developing a great commercial stake in the welfare and prosperity of a country which, some months ago, I suggested should and could be a pilot plant—a phrase very similar to the phrase which the Senator has used today—a pilot plant for democracy and development in the Near East.

Mr. HUMPHREY. I thank the Senator from Connecticut. I would hope that American private investors would do more of this kind of thing in other areas of the world; and I think that the Rockefeller report, which was brought to our attention some months ago, indicates the imperative need of American investment, if we are to do the job which needs to be done.

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

Mr. HUMPHREY. I yield to the Senator from Montana.

Mr. MURRAY. I have listened with a great deal of interest to the eloquent speech the Senator from Minnesota has made; but I wanted to ask him about one statement he made in reply to questions which were being propounded to him. He said that the State Department did not exercise a liberal, progressive statesmanship in reference to some of its activities.

Mr. HUMPHREY. That was not my conclusion. I believe that was a conclusion drawn by someone else. We were talking about Indonesia, and I said I thought the State Department had a most difficult problem when, on the one hand, we had commitments with the Dutch, and, on the other hand, there were some doubts as to what we should do about the independence aspirations of the republican forces in Indonesia.

Mr. MURRAY. If the State Department evidenced any conservatism or lack of liberal statesmanship, does the Senator not think it was due largely to the fact that it had been under constant attack through charges to the effect that it was controlled or influenced by Communist interest, and, therefore, it was trying to exercise a very cautious attitude in order to avoid being charged, as it had been, with the taint of Red interests within its ranks?

Mr. HUMPHREY. I think the Senator is making a very valid observation. Since he asks me, my candid opinion is that, unfortunately, the State Department has been so intimidated that it has become supercautious. It sometimes identifies forces which work in this

world with forces which are subversive. In other words, I have heard many comments on the Senate floor to the effect that we cannot have anything to do with Socialists. I do not happen to be a Socialist, but I say that if the Socialists are against the Communists—and they are—and if they are willing to stand with us, and if they are willing to preserve political freedom, it is imperative that we try to seek their assistance and their substance in this struggle.

Mr. MURRAY. And the same sort of intimidation has had an effect upon people throughout the country. It has affected the teachers of the country, who are afraid to take a liberal view regarding anything, any more.

Mr. HUMPHREY. I thank the Senator.

Mr. McFARLAND. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. I not only yield—I yield the floor.

Mr. McFARLAND. Mr. President, I merely desire to make an announcement, and to propound a unanimous-consent request.

I ask unanimous consent that, beginning at 10 o'clock tomorrow morning, debate be limited to 30 minutes on all amendments, motions, and appeals, except the amendment providing for a \$500,000,000 reduction, and the amendment providing for a \$1,000,000,000 increase; and that on those two amendments there be a limitation of 2 hours on each amendment, the time to be divided equally between the proponents and the opponents; that the time be controlled by the proponents of the amendments and the distinguished Senator from Texas [Mr. CONNALLY], provided he is opposed to the amendments, and in the event that he favors the amendments, then by the minority leader, or any Senator whom he may designate; that all amendments be germane, except the amendment which has been proposed known as the St. Lawrence seaway amendment, and that on that amendment the limitation of debate be 1 hour, 30 minutes to a side; and that the limitation on the bill be 1 hour, 30 minutes to a side, the time to be controlled by the Senator from Texas [Mr. CONNALLY] and the minority leader, or any Senator whom he may designate.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Reserving the right to object, I would have only one suggestion to make to the majority leader, namely, that in case there is a demand for a little more time on the St. Lawrence seaway amendment, the debate on it be 1 hour and 30 minutes, 45 minutes to a side, if that is agreeable.

Mr. McFARLAND. Of course, if that is the request—

Mr. THYE. I would suggest that we have at least 1 hour to a side.

Mr. DIRKSEN. Very well, make it an hour on a side on that amendment.

Mr. McFARLAND. I would regretfully make it an hour to a side, because that would run us into a very late hour tomorrow night, if all the time were used; but, if that is what the Senator

insists upon, that is what I will make it.

Mr. DIRKSEN. Is an hour on a side on the St. Lawrence seaway amendment agreeable to Senators?

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

Mr. McFARLAND. I yield.

Mr. AIKEN. May I ask whether the request the Senator made applies only to amendments which have already been submitted, or does it allow for the offering of additional amendments?

Mr. McFARLAND. The provision in regard to amendments was that they be germane. The only exception was in the case of the St. Lawrence seaway.

Mr. AIKEN. That is germane.

Mr. McFARLAND. I might eliminate the provision as to germaneness if there is any question about it, but I think there might be some question about it.

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

Mr. McFARLAND. I yield to the Senator from Illinois.

Mr. DIRKSEN. I would suggest to the majority leader that there be no action on amendments tonight. We would have to have a quorum call.

Mr. McFARLAND. Yes; I understand.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Is there objection to the unanimous-consent request?

Mr. BENTON. Reserving the right to object, does the request of the distinguished Senator from Illinois [Mr. DIRKSEN] mean that we will run late into tomorrow night? Many of us had been expecting a night session tonight, and it would seem to me to be more equitable to take up and dispose of such amendments as we can dispose of this evening.

Mr. McFARLAND. I thought a unanimous-consent agreement would expedite consideration of the bill. The distinguished Senator from Montana [Mr. MURRAY] has a speech, the Senator from California [Mr. KNOWLAND] has a speech, and the Senator from Arkansas [Mr. FULBRIGHT] has a speech. By the time they have concluded we will have gone beyond the time at which we would recess, anyway. We may run very late tomorrow night.

Mr. MURRAY. Reserving the right to object, I should like to say to the distinguished majority leader that I am prepared this evening to make an address on the general bill, which will take about 30 or 40 minutes. If the Senate is going to recess at this time—

Mr. McFARLAND. No; I have no intention of recessing the Senate at this time. I thought we would go ahead with debate on the bill, but I wanted to get the unanimous-consent agreement and to start in the morning at 10 o'clock. I shall remain as late as anyone wants to remain tonight.

Mr. LEHMAN. Reserving the right to object, I assume, of course, that the arrangement proposed by the majority leader would apply to any amendments proposed tomorrow from the floor; and not solely to those which are printed.

Mr. McFARLAND. No. I said all amendments.

Mr. CASE. Reserving the right to object, the junior Senator from South Dakota presented an amendment this afternoon so that it might be printed for the information of the Members of the Senate. Under the very strict rule of germaneness, which is applicable in the House of Representatives, it would not be admissible. However, it does deal with the general subject. It is certainly far more germane than would be the St. Lawrence seaway amendment.

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

Mr. CASE. I yield.

Mr. McMAHON. I have read the amendment, and I can assure the majority leader that there is no question that it is germane to the bill.

Mr. McFARLAND. Will the Senator from South Dakota tell me, in a few words, what it provides?

Mr. CASE. It proposes, first of all, to deal with the counterpart funds, which would broaden the scope of the bill somewhat.

Mr. McMAHON. Would not the Senator say that his amendment would promote European union?

Mr. CASE. Yes; by use of the counterpart funds.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified? The Chair hears none, and the request is agreed to.

The unanimous-consent request as reduced to writing is as follows:

Ordered, That, beginning at 10 o'clock a. m. on Friday, August 31, 1951, during the further consideration of H. R. 5113, the Mutual Security Act of 1951, except as hereinafter provided, debate be limited to 30 minutes each on all amendments, motions, or appeals, to be equally divided and controlled by the mover of any such amendment and Mr. CONNALLY, respectively, provided he is opposed to such amendment, but if he is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by Mr. WHERRY, or some one he may designate: *Provided*, That on (1) the amendment intended to be proposed providing for a \$500,000,000 reduction and (2) the amendment intended to be proposed providing for a \$1,000,000,000 increase, debate on each thereof shall be limited to not exceeding 2 hours, to be equally divided and controlled as in the case of other amendments: *Provided further*, That all amendments or motions must be germane to the subject matter of the said bill except the amendment intended to be proposed relating to the St. Lawrence waterway, and that debate upon this amendment shall be limited to not exceeding 2 hours, to be divided and controlled as in the case of the two preceding amendments.

Ordered further, That upon the question of the final passage of the bill debate shall be limited to not exceeding 1 hour, to be equally divided and controlled by Mr. CONNALLY and Mr. WHERRY, respectively, or some one he may designate.

Mr. KNOWLAND. Mr. President, I have two items which I should like briefly to discuss this evening.

During the consideration of the Mutual Security Act by the joint committees I supported the inclusion therein of section 513, which authorizes the ECA to guarantee industrial and informational investments in areas covered by the Mutual Security Act. I have noted that

the section-by-section analysis which appears in the committee report on the bill—I refer to page 54 of Report No. 703—is not clear in pointing out that section 513 does extend the guaranty provision to areas not heretofore covered by ECA legislation.

In order that my colleagues may not be misled by this section of the report, I desire to make it clear at this time that section 513 does, in fact, permit ECA to extend guaranties of this type to countries not heretofore covered, as well as to American Republics. The legislative history before the committee is very clear, through the questions and answers before the committee.

I wish briefly to discuss this bill, as I am leaving tonight by plane for the Pacific coast.

In the first place, I have asked to be paired in favor of the bill as reported by the committees. I think it is substantially a fair and equitable bill. I believe that there is some information which was not available to the Committees on Armed Services and Foreign Relations which the Committee on Appropriations can very carefully go into at the time the appropriations themselves are being considered under this authorization legislation.

I wish to point out that the United States of America, in the fiscal year 1951, was putting 68.1 percent of its total budget into its national defense. For security reasons, I am not at this time at liberty to give the names of the other countries in the NATO and the percentages they are contributing of their total budget to their national defense, but on my responsibility as a United States Senator I am going to list the countries by alphabetical designation.

Compared with the 68.1 percent which the United States is putting into the defense effort, country A is putting in 45 percent of its total budget.

Country B is putting in 32.2 percent.

Country C is putting in 27.4 percent.

Country D is putting in 26.2 percent.

Country E is putting in 22.7 percent.

Country F is putting in 22.4 percent.

Country G is putting in 17.1 percent.

There are no figures available to the committee on countries H and I.

The statement is sometimes made that that is not a fair test of the situation, that the percentage of gross national income should be the thing that should be considered. So, for the information of the Senate, I invite attention to the fact that in the year 1951 the United States Government was putting into defense 14.1 percent of the gross national income.

I might say, parenthetically, that for the current fiscal year that amount will be raised considerably, perhaps as high as 20 percent.

Country A is putting in, of its gross national income, 8.3 percent.

Country B is putting in 9.3 percent.

Country C is putting in 8.8 percent.

Country D is putting in 2.3 percent.

Country E is putting in 6.4 percent.

Country F is putting in 4.7 percent.

Country G is putting in 4.1 percent.

Country H is putting in 2.7 percent.

Country I is putting in 5.7 percent.

Mr. President, of the title I countries in Europe which are covered by the terms of the proposed legislation, Belgium, France, Luxemburg, the Netherlands, and the United Kingdom have supplied armed forces to resist overt aggression in Korea. Italy, Norway, Denmark, and Portugal have not. Neither have the non-NATO countries of Spain and Yugoslavia contributed forces to resist aggression in Korea.

Of the title 2 countries mentioned on page 26 of the committee report, Ethiopia, Greece, and Turkey have contributed troops to resist aggression in Korea. Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Libya, Saudi Arabia, and Yemen have not.

Of the title III countries mentioned on page 29 of the committee report, Korea, the Philippine Republic, and Thailand have furnished troops to resist aggression in Korea.

The Republic of China on Formosa offered 33,000 troops on June 29, 1950—which was 4 days after the aggression took place. This offer was not accepted by the United Nations and the United States, but the Republic of China can certainly be given credit for making that offer.

No armed forces were sent or offered by Afghanistan, Burma, Ceylon, India, Indonesia, Indochina, Nepal, and Pakistan.

Of the title IV American Republic countries, only Bolivia, Colombia, and Cuba have sent armed forces to resist aggression in Korea.

Throughout the rest of the world, and not covered by the pending legislation, the only other countries which have sent troops to resist aggression in Korea have been Australia, Canada, New Zealand, and the Union of South Africa.

I mention these facts, Mr. President, because I think the time is coming when we must take a realistic view of the situation and realize that the resources of this Nation, great and powerful and rich as the United States of America is, cannot be spread so thin around the world, and that unless nations are willing to stand up and be counted in resistance to the global menace of communism, we are not going to be able to dissipate our resources to those nations which themselves are not willing or able to make their contribution to resist the global menace of international communism.

Mr. President, I think it is important for the Senate and for the House to recognize that this bill providing for \$7,500,000,000, even though it has been cut approximately \$1,000,000,000 by the House of Representatives, and that an approximately equal cut has been applied, though in a slightly different way, by the combined committees on Foreign Relations and Armed Services, still represent a tremendous expenditure to the American people and a greatly added burden to the over-all cost of our Government.

We are used to dealing, Mr. President, in such astronomical figures that I think sometimes it is hard for Members of Congress, and those in the executive branch of the Government, and the people throughout the Nation, to grasp the

significance of the figures with which we are dealing. It is very difficult for the human mind to grasp just what a billion dollars means. The bill, even in its reduced form, represents \$7,500,000,000.

It was not many years ago that the Government of the United States, in all its categories, first passed the billion-dollar mark. It has only been in fairly recent years that we have expended as much as \$7,500,000,000. Yet that is the amount of this foreign aid bill with which we are now dealing. I believe, however, that there are certain signals ahead, and that we must stop, look, and listen in connection with this appropriation, and future appropriations, to realize just what the significance of these figures is.

Since 1789, when the Federal Government was organized and the first administration of George Washington took office, down through 32 Presidents, to June 30, 1941, which was the end of the second administration of Franklin Delano Roosevelt, the total expenditures of the administrations of those 32 Presidents of the United States for that entire period of time, of 152 years, amounted to \$180,000,000,000. Since 1945, in the 7 years of the Truman administration, the total cost of the Federal Government amounted to \$332,000,000,000.

Mr. President, during the fiscal year which has just closed the tax revenues accruing to the Federal Treasury amounted to \$50,300,000,000. This was the largest revenue received by the Treasury of the United States Government at any time in our entire history. It was not even exceeded by the high point in World War II. As a matter of fact, that high point was reached in the fiscal year 1945, and our revenues for the fiscal year which has just closed are approximately \$4,500,000,000 higher than the previous high water mark.

The President of the United States has suggested, despite that abnormally high revenue, that there be passed an additional tax bill of \$10,000,000,000. The House of Representatives has passed a tax bill providing for approximately \$7,000,000,000. The Senate Finance Committee is now working on this bill, and there are some reports that the bill as it will come from the committee will provide approximately \$6,000,000,000. If we take the latter figure and assume that our national income and the revenues received by the Treasury will be approximately the same as they were last year, this would increase the total revenues of the Treasury from the \$50,300,000,000 in the last fiscal year to approximately \$56,000,000,000 or \$57,000,000,000. Yet the budget presented by the President of the United States will total approximately \$71,000,000,000. So, despite the abnormally high income, the likelihood of the Federal Government having a deficit in the coming year is rather substantial.

But that is not the entire story. Within the next few days there will be presented to the Appropriations Committee of the Senate of the United States some revised estimates from the Department of Defense. They will deal with the question of increased air power. It is not at all unlikely that these additional

expenditures will be at least \$15,000,000,000 or \$20,000,000,000. They may be even considerably greater than that.

So I say, Mr. President, that we must bear in mind that unless we can maintain a solvent Federal Government, and unless we can maintain a sound national economy, we will not be able to meet our own requirements for national defense, to say nothing of giving aid to other nations in other areas of the world.

I recognize the fact, as I think most other Members of this body, and most American citizens, do, that we can no more return to isolation than an adult can return to childhood, regardless of how pleasant childhood recollections may be. We must recognize the fact that today, for better or for worse, there are only two great powers in the world. One is the Soviet Union, and the other is the United States of America. If the United States withdraws and becomes disinterested in the problems of Europe or of Asia, a vacuum will temporarily be created, and into that vacuum, at a very rapid pace, will flow the forces of international communism under the general supervision of the Soviet Union. This is not in our national interest. It is not in the national interest of the free world.

In 1945 there were approximately 200,000,000 people living behind the iron curtain under the domination of international communism. Today, less than 6 years later, there are more than 800,000,000 people behind the iron curtain. I am not so certain that those who argue that time is on the side of the free world are necessarily correct in their estimate of the situation. We know that since September of 1949 the Soviet Union has had the atomic weapon. We know that in the intervening period they have been able to stockpile a certain number of those weapons. There is no great satisfaction in knowing that we have a substantially greater number than has the Soviet Union, because when and if they get ready to move, they will move with a Pearl Harbor type of attack upon the great industrial and production centers of America, without warning and without notice. While I do not believe that they could give us a fatal blow, I think they could certainly give us a disabling blow, from which it might take a considerable period of time to recover and once again put our great productive capacity to work for our own defense and the defense of the free world.

Mr. President, I wish to conclude by saying that I think the time is rapidly approaching—if indeed it has not already arrived—when the executive branch of the Government, together with the Congress of the United States, must reanalyze our entire global position. We must realize that the resources of America are not unlimited. We must realize that at some point—and perhaps no one of us is wise enough to know where that exact point is, or fortunate enough to have a crystal ball to tell us—there is going to be the straw which will break the camel's back. Consequently, it seems to me that in the very grave situation in which we find ourselves and in which the entire free world finds

itself, we must review our global commitments, and we must recognize that our resources, not being unlimited, must be concentrated in those areas which have the greatest strategic value, and where we have allies who are willing to stand up and be counted when the chips are down.

The other day I mentioned as an example the disappointment many of us had in the action of the Government of India under Mr. Nehru. India is a new country. I do not pretend to have the power to see into the future, but I would not be surprised if within the next 10 years great pressures were applied against the Government and the people of India by either the Soviet Union or Communist China, to such an extent that the very life and independence of India might be in jeopardy.

Mr. President, I do not believe that international aggressive, global communism can be stopped by passive resistance, Mr. Nehru to the contrary notwithstanding. Yet that country, which has more at stake than perhaps any other country in the world in building a system of collective security and international law and order, so that the rights of the weak must be respected by the strong, has dealt us a serious blow in the San Francisco Peace Treaty conferences by the action it took in general support of the Soviet position and in opposition to our position. In the Korean warfare, which broke out on June 25, 1950, the Government of India has not up to this very moment offered a single soldier, sailor, or airman for the collective security of the free world in Korea.

Mr. President, that is not because India does not have well qualified soldiers, and a substantial number of soldiers. Her soldiers fought very well in World War II. It was a matter of studied policy on the part of the Government of India to try to arrive at a so-called neutrality as between the East and the West. But I venture to predict that if the world is so unfortunate as to have World War III break out, there will be no neutrals. It is true that Denmark, Norway, and Holland were able to maintain neutrality in World War I. But in World War II when it suited the purpose of Nazi Germany under Hitler to move through their territories, all their vaunted neutrality could not save them.

I believe that it is utterly unrealistic for India or any other country to think that if world war III breaks out it can sit that one out, because no one is going to sit that one out. Consequently India has much to gain by a system of collective security. I have already pointed out that she furnished no troops whatsoever in Korea. She did furnish one ambulance unit; but she will not be able to stop aggressive communism by furnishing an ambulance unit.

It was worst than that, Mr. President, because in some 15 or 16 votes in the United Nations which were crucial votes in the matter of the security of the free world and the system of collective security, India voted with the Soviet Union about 12 times; voted with the free world once or twice; and abstained from voting the remainder of the time.

Mr. President, I cite that as an example. Certainly the people of India have a right to make their own choice. They have a right to make whatever choice they wish to make. India or any other nation has a right to make whatever choice it wishes to make. However, I believe such a choice should be made realistically, always keeping in mind that there will be no neutrals in world war III, if such a conflict should break out—and we all hope that it will not break out—and that the American people and the American Government, devoted as we are, as a matter of national policy, to the establishment of a system of international law and order, so that we and our children will not time after time be faced with the problem of aggression sweeping across the world, are determined to try to establish a system of collective security, but that our resources are not so extensive that we can do that job and also help nations which think they can sit out a conflict on the basis of some kind of false neutrality.

Mr. President, I close by saying that we shall be faced with some very serious problems in the months immediately ahead. I believe that the month of September will be one of the critical months in the history of the world. I believe that it is not any mere coincidence that the Communist forces in China and North Korea should have been sabotaging the cease-fire negotiations at Kaesong at precisely the same time the Soviet Union decided to send a delegation to the conference at San Francisco. I believe that most informed opinion at the present time entertains the view that the Soviet Union is attending the San Francisco conference for no particular good. It is generally felt that the delegation is coming primarily to sabotage the efforts of the San Francisco conference in developing a peace treaty with Japan, and that they are coming for the purpose of using the San Francisco conference as a sounding board for international Communist propaganda.

Furthermore, Mr. President, I believe they are coming because the primary target of the Soviet Union in all of Asia is now Japan. If they could ultimately bring Japan into their orbit, with Japan's 80,000,000 industrial people and very large industrial capacity, they would make certain that all of Asia would ultimately be theirs.

To the contrary, if the free world can hold Japan in its orbit, I believe the opportunity will be afforded of maintaining freedom for hundreds of millions of people, not only in Japan, Formosa, the Philippines, and Indonesia, but in Southeast Asia, India, and Pakistan, as well.

If we are to do that it will take the united effort of all the men who really believe in freedom. Those who try to stay on the outside, to see which way the wind will blow, or believe that they can let other men fight for struggle for freedom for them, but can reap the benefits of the struggle, will be sadly mistaken. If by sitting this one out, India permits the power of international communism in Asia to ultimately overrun all its neighboring countries, India

itself will not remain free for more than a few years if indeed that long.

Mr. President, I am convinced that the month of September may very well determine whether or not we are to have peace in the Pacific and in the entire world.

Mr. MURRAY. Mr. President, I rise to support the pending bill, H. R. 5113, which is now under consideration. I am convinced that the pending measure, providing a mutual-security program to aid the free nations of the world, weakened by the havoc and destruction of the late war, in my opinion, is a sound and unavoidable program. It is a policy of enlightened self-interest.

In a world in which Soviet Russia and her satellites are threatening to impose their political domination over the free nations of the earth, we must join with these nations and assist in building up their economic and military defenses. If we fail to follow such a policy and permit those yet-free areas of the world to succumb to communism, how will we in America be able to stand out against this march of Communist imperialism?

Mr. President, this is a problem which must be squarely met if we are to continue as a free and sovereign nation. We are confronted with the most serious threat to our continued freedom in all our history. This program is not prompted by sympathy or generosity toward these distressed areas of the world. It is, in reality, a program necessary to the defense of our own freedom.

America has arrived at the crossroads of her existence. The trend of world events over the years has placed the United States in a position of transcendent responsibility. We are the only great industrial and military power left in the world spiritually and physically equipped to lead the free nations of the earth in this titanic struggle now on foot against Communist aggression.

We dare not withdraw from this responsibility which fate has placed on our shoulders. America must accept her responsibility as the moral and material leader of the free world or run the risk of her own destruction.

Neither can we afford to allow any political maneuvering to hamstring our foreign policy. We have no right to play politics with the lives of millions of people who look to us for leadership in the struggle to retain their liberties.

Of course, it is easy to attack this program. We can all appreciate how popular it may be to oppose the huge expenditures involved. It is just like being against iniquity, in the minds of people not fully aware of the facts. It is also very easy to close our eyes to the realities and the grave dangers found today in a world convulsed by the tragic occurrences of the last decade or two.

But, Mr. President, we cannot meet our global obligations as partisan Republicans or Democrats. We can meet them only as united Americans dedicated to the task which Almighty God at this hour has called upon us to assume. If either of our political parties stoops to playing petty politics in this grave crisis confronting us, the American people will surely condemn its venality. The out-

side world will stand aghast at the spectacle of the United States engaging in a game of political pettifoggery which may hamstring our foreign policy and cause the world to lose the battle against Communist imperialism.

Heretofore, we have proudly boasted of our political system. If we are to convince the world of the superiority of our system, now is the time to stand forth and meet this responsibility in the true interests of our country and of free men everywhere.

Mr. President, America is facing the most serious threat to freedom in all our history. On the one hand there is the awful specter of Soviet communism, whose avowed mission is the conquest and enslavement of mankind. On the other hand, almost half of the world's population are faced with the dreadful scourge of exploitation, poverty, disease, and degradation.

We have learned that communism has ever thrived on popular discontent which grows out of poverty, disease, hunger, and inadequate shelter. Communism dies in prosperity and well-being. I doubt that even the most bitter critic of our foreign-aid program would dare dispute it.

General Eisenhower has made a statement on the subject, which I should like to read at this time. He said:

Communism inspires and enables its militant preachers to exploit injustices among men. This ideology appeals not to the Italian or Frenchman or South American as such, but to men as human beings who become desperate in the attempt to satisfy common human needs. Therein it possesses a profound power for expansion. Wherever popular discontent is founded on group oppression or mass poverty or the hunger of children, there communism may stage an offensive that arms cannot counter.

Discontent can be fanned into revolution, and revolution into social chaos. The sequel is dictatorial rule. Against such tactics exclusive reliance on military might is vain.

The areas in which freedom flourishes will continue to shrink unless the supporters of democracy match Communist fanaticism with clear and common understanding that the freedom of men is at stake; meet Communist regimented unity with the voluntary unity of common purpose, even though this may mean a sacrifice of some measure of nationalistic pretensions; and, above all, annul Communist appeals to the hungry, the poor, the oppressed, with practical measures untiringly prosecuted for the elimination of social and economic evils that set men against men.

The dual threat of communism and poverty must be met on a global scale if we are to survive. It must be met by building the defenses of a united democratic world to a peak which will deter Communist aggression; also, it must be met by helping the free nations that have been prostrated by the ravages of war to improve their economic conditions and raise their standards of living. If we fail, we shall be abandoning them to Communist infiltration and aggression.

We cannot defeat communism with bombs and bullets alone. We must meet the spurious idealism of communism with the true idealism which stands before the world as opposed to the exploitation of defenseless people everywhere. We must make every effort to bring to

the exploited and wretched people of other countries a program or way of life in which they can live as free men—free from exploitation or oppression—and can provide for themselves and their families a genuine measure of health and comfort and an opportunity to share in the fruits of production on a just and equitable basis with their fellow men.

We can have no adequate defense against communism unless all nations participating in that defense are politically and economically stable. Politico-economic stability is meaningless to a people without the organized strength with which to protect itself against assault.

Mr. President, America's security today depends upon the security of her allies. On the other hand, the security of our allies depends upon our security and upon our economic and military assistance while they are gathering strength and stability. The only real security in this sort of world is mutual security, the united economic and political action of freemen everywhere.

That point was clearly made in a recent statement issued jointly by the Senate Armed Services and Foreign Relations Committees, following their probe of the circumstances of General MacArthur's dismissal, from which I quote:

We would reassure the people of the free world beyond our boundaries—all of those determined not to be enslaved by Communist aggression. We are unshaken in our determination to defend ourselves and to cooperate to the limit of our capabilities with all of those free nations determined to survive in freedom.

The mutual-security program is the practical vehicle by which we can defend ourselves and can cooperate with the other free nations in our common interest. The program can and will make it possible to continue to build the strength which will deter Communist aggression, even as it paves the way for a better life for more and more people.

The mutual-security program does not demand that we play the role of Atlas. We are not expected to pick up the entire free world and carry it on our shoulders. The program is designed to help other countries to help themselves. I am convinced that it can and will do just that.

Has the premise upon which the mutual-security program is based paid off in the past? The evidence clearly indicates that it has. Europe, which has received the overwhelming bulk of our military and economic aid since the close of World War II, amply illustrates this. The Greek-Turkish aid program, the Marshall plan, the mutual-defense assistance program have played a vital role in restoring to free Europe the measure of political and economic stability so crucial to the defense against communism.

There can be little question that a Western Europe in the Soviet camp would see America and her few remaining allies outnumbered, outgunned, and outproduced. Western Europe's more than 275,000,000 people are among the most highly skilled and most productive in the world. Her steel, coal, and electric-power production normally far surpass those of the entire Soviet bloc.

Western Europe's civilization, which is so closely linked to ours, is no mean deterrent to the inroads of the soulless philosophy which would reduce men to pawns in a grasping drive for power.

Morally, strategically, and economically we Americans need Western Europe. That is why the terrible destruction wrought in Europe by World War II has been of such pressing importance to us. That is why the breakdown in Europe's industrial plant and transportation system claimed our immediate attention.

Mr. President, the expansion of communism immediately after the war was but an indication of Western Europe's crying need for help. Their economic system had broken down, and the people were living in want and distress. When international communism subverted legitimate Balkan governments, threatened Turkey, and invaded Greece, it was clear that such help had to be given, and given rapidly. America accepted the challenge, and America reaped concrete results.

Let us look at the facts and figures.

On the political front, 1946 saw the emergence of Communist parties of formidable strength in the major Western European nations. Everywhere the Communist Party line was feeding on the devastation of the countryside, the inflation, and the miserable condition of the people.

In 1946, Communist Party membership soared to 2,300,000 in Italy, 850,000 in France, and 300,000 in Western Germany. In France, the Communists were the largest single party in the General Assembly.

The Communist-controlled CGT, France's largest labor organization, boasted upwards of five million members. Italy's largest labor federation, the CGIL, had a membership almost as great as that of its French counterpart.

The end of 1950, the fourth year of the Greek-Turkish aid program, and the third of the Marshall plan, saw a considerable change in the Western European political picture. In every country but one, Communist influence had declined from what it was prior to the beginning of American assistance.

Since 1946, Communist Party membership has dropped in every free European nation. The declines range from 84 percent in Luxemburg and 65 percent in Belgium to 31 percent in Italy and 30 percent in France. In Britain, the two Communists who were members of Parliament have been defeated. In Norway all 11 of the Communist representatives in the legislature have suffered the same fate: defeat.

The French Communist Party, Western Europe's second largest, lost 80 of its 181 seats in the General Assembly in the most recent elections. The French CGT has also lost some 2,000,000 of its members to democratic labor groups. The Italian CGIL's losses have been even greater.

Mr. President, there are many other indications that the Communist-controlled labor unions have lost influence and ground in the Marshall-plan countries of Europe with the reduction of want, the increase in wages and employment, and the improvement in standards

of living brought about by the plan. Any decrease in Communist influence among working people is especially significant because it is in this field that the Communists concentrate their main efforts.

The Communists have been strong in France and Italy, particularly in the heavy industries which are the key to military production. Disruptive Communist tactics reached a peak in France and Italy in 1947 and the first half of 1948, particularly in the key industries. By 1950, when the Marshall plan had been in effect for 2 years, this situation had drastically changed for the better and continues to improve in 1951.

Records kept by the State Department and other Government agencies serving in Europe show that non-Communist labor organizations have grown in influence and in bargaining power during the period of Marshall-plan operation. They have played an important part in nullifying Communist efforts to disrupt the economies of France and Italy by political strikes and demonstrations and to interfere with the production and shipment of arms.

The Communist unions are now on the defensive and decline. In many instances they no longer have aggressive dictatorial power in key industries. For example, they have lost control of the Marseilles docks since the Marshall plan began. The Communists now have only 10 of the 55 port dockers' committee seats there in comparison with 54 they had at the inception of ERP. The same thing has happened in Cherbourg and Naples, two other great continental

ports. This is important, not only to show how our aid has been effective in combating communism, but from the viewpoint of military security in a vital industry in time of war.

Another example is the Austrian general strike of last year called by the Communists. It failed when the overwhelming majority of Austrian labor forces refused to join with them.

I have in my hand a table which shows that there has been a sharp decline in work time lost in almost every European country during the time in which the Marshall plan has been in operation. In France, for example, the number of man-days lost by strikes in 1950 was approximately half the number lost in 1947. In Italy there has been a decrease of 58 percent in man-hours lost by strikes from 1949 to 1951.

Mr. President, I ask unanimous consent to have the following material inserted in the Record at this point in my remarks:

First. A table prepared by the United States Department of Labor, showing time lost in strikes in the principal ERP countries;

Second. An excerpt from a report dated June 22, 1951, from our Embassy in Rome, regarding the development of the Italian labor movement; and

Third. Excerpts from an article entitled "Activities of French Labor Unions in 1949-51," from the Monthly Labor Review for June 1951.

There being no objection, the table and excerpts were ordered to be printed in the Record, as follows:

Man-days lost in strikes, 1946-50

	1946	1947	1949 (where no later date)	1950
Denmark.....	1,386,000	473,000	-----	4,000
Sweden.....	27,185	125,000	18,690	42,000
Norway.....	79,000	41,000	-----	-----
Great Britain.....	2,158,000	2,433,000	-----	1,388,000
France.....	311,913	22,673,285	-----	11,724,484
Belgium.....	1,032,594	2,211,788	-----	12,768,555
Netherlands.....	681,607	233,400	-----	162,500
West Germany (Bizonie).....	(?)	(?)	-----	358,218
Ireland.....	-----	449,438	-----	216,505

¹ Return of King caused large political strikes.

² Not available.

Man-hours lost in strikes, 1941-51—Italy

January-May 1949.....	52,265,000
January-May 1950.....	28,270,000
January-May 1951.....	22,410,000

EXCERPT FROM REPORT DATED JUNE 22, 1951,
ROME EMBASSY, REGARDING DEVELOPMENT OF
ITALIAN LABOR MOVEMENT

When the Italian people began to take inventory in 1945 after nearly 10 years of war and 25 years of fascism they found a combination of conditions which pointed down a long road toward a dark horizon.

All political currents were invited to participate in the founding of what eventually became the Italian General Confederation of Labor (CGIL). The three principal political groups were represented equally in the executive.

By 1947 this organization claimed, probably with some justification, 6,000,000 members. As the union grew, however, so did the Communist control. During the first national congress held that year the Reds, with strong assist from the left wing Socialists, were able to amend the constitution to provide for direct political action and to

elect Communist Di Vittorio secretary general. Thus the Communist leaders were given license to twist the role of the workers' organization into whatever channel best suited the strategy of Moscow.

Giuseppe Saragat, a more moderate member of the PSI hierarchy, immediately resigned and started his own party—the Italian Socialist Workers Party (PSLI). This split was immediately reflected in the trade unions and Giovanni Canini became the top representative for the PSLI in the CGIL.

In the spring of 1948 the CGIL was invited to attend a world trade-union conference on the Marshall plan. Di Vittorio's answer was: "Participation in any Marshall-plan organization is incompatible with membership in the CGIL."

The answer of Canini, Parri and Pastore, whose nonconformity by now had earned them the title of "the unholy three," was to defy the Communist secretary-general's edict and at their own expense fly to London to participate in the meeting. Out of that conference grew the ERP Trade Union Advisory Committee.

In July, 1948, barely a month after the arrival of the first Marshall plan officials and

before any actual aid had been furnished, the Communists made their grand bid.

Palmiro Togliatti, Communist Party head, fell gravely wounded on the steps of the Italian Parliament before the revolver of a despondent Sicilian student. The country rocked with the news of the near-assassination. The executive committee of the CGIL was called into emergency session and unanimously agreed to a 24-hour general strike. Almost immediately commerce was stilled. Factories were emptied, fields were abandoned, shops were shuttered, and land, sea, and air transportation was halted.

With the country in an economic coma, the CGIL Red leadership arbitrarily announced that the 24-hour deadline would be ignored and the strike would stay in effect until the 3-month-old Government resigned and a new one would be formed with Communist participation.

Overnight the Italian people were faced with a revolution. For the Government to resign was unthinkable. If the strike continued, civil war was almost certain. The dilemma was solved when Giulio Pastore denounced this betrayal of the workers and resigned from the confederation, urging his followers to return to work. They did and the solid front of the incipient revolution was broken.

While Pastore's bolt from the CGIL saved a precarious situation for the infant government, it also had the adverse effect of leaving the Communist-Nenni Socialist group in even stronger control of the confederation. This control was quickly manifested upon the arrival, a few months later, of the first ERP materials.

In factories where Marshall-plan goods were installed the CGIL began a series of noncooperation and checkerboard strikes. The first involved the worker doing only as he was told and nothing more. Every morning the foremen had to instruct each individual worker to turn on his machine and repeat the round with explicit instructions for every operation. In the metal industry, where these strikes were concentrated, production fell off as much as 70 percent.

The checkerboard pattern was also used in the strategic metals industries. Here work was stopped in each department for 10 or 15 minutes at different specified times throughout the day. Again production dropped off. A phony economic reason usually was given for the slowdowns, but, in nearly every case it was patently obvious that it was a carefully planned tactic to sabotage the Marshall plan. Unless the workers would utilize the tons of machinery and raw materials arriving and on order, it seemed clear that the production index would show a drop.

Therefore, the first crucial problem confronting the ECA here was to convince the workers that the ERP was not a plan of Wall Street, but an honest effort on the part of America, her people, her Government, her business, and her trade unions to help Italy along the road of reconstruction.

As a first step in meeting this problem the ECA Labor Division formed the Italian ERP Trade Union Advisory Committee, and the initial meeting between this group and mission officials was held on December 6, 1948.

Later the committee, with an eye to creating more jobs in the local milling industry, presented a request that the following year's appropriation consider sending more grain and less finished flour to Italy. This suggestion was carried to Congress by the Chief of Mission, and the 1950 bill included a 50-percent drop in the flour requirement for grain shipments to Italy. The result was an additional 700,000 man-days of labor in the milling industry.

The Communists again were forced to change their line. The workers had begun to accept the Marshall plan. The new line was more strikes and peace themes.

In June, Canini and Parri led their followers out of the CGIL, leaving the organi-

zation in complete control of the Communists and their Nenni Socialist fellow travelers.

Canini and Parri set up the Italian Federation of Labor (FIL), and after nearly 1 year of existence they merged with the LCGIL to form the Italian Confederation of Trade Unions (CISL).

The CISL, while just over a year old, claims more than a million-and-a-half members. The CGIL is thought to have about 3,000,000, a reduction of 50 percent in 3 years. A third organization, the Italian Workers Union (UIL), comprises some members of FIL who did not wish to unite and a group of Romita-Silicone Socialists who left the CGIL last year. This third group is thought to have between 50,000 and 100,000 members.

The results of the committee's work on a score of projects directly concerning the Italian worker soon won them an audience among the people in the factories and in the fields. The noncooperation and checkerboard strikes began to occur with less frequency and production figures began to climb. Provincial and later communal Italian ERP-TUAC committees were formed. At one time nearly 5,000 communities boasted an ERP-TUAC group.

On December 19, 1948, Giulio Pastore formed the Free Italian General Confederation of Labor (LCGIL) and invited men and women of any political persuasion to join him in what he promised would be a political organization. In the next 6 months his confederation grew to a membership of half a million. A small enough number in a working force of 18,000,000, but enough to cause the Communists concern. They attacked Pastore as a tool of the church and of the Government. The LCGIL strength among textile and agricultural workers and their ambitious organizing campaign among metal, transportation, and Government employees forced the Communists to sit down and reconsider their strategy.

[From Monthly Labor Review, June 1951, U. S. Labor Department's Bureau of Labor Statistics]

ACTIVITIES OF FRENCH LABOR UNIONS IN 1949-51

(By Webster Powell)

French trade-unions were engaged in attempting to raise the purchasing power of workers and in a struggle between the free and Communist groups during 1949, 1950, and early 1951. * * * prices continued to rise in 1950 and early 1951, and despite wage gains, the purchasing power of the French workers' earnings was still substantially below the 1938 level at the end of March 1951. Meanwhile, the French worker and union member, wearied by continual strike agitation, had become increasingly aware of the Communist-dominated General Confederation of Labor (CGT) attempt to exploit bona fide issues for political purposes.

The Collective Agreements Act adopted on February 11, 1950, was rated high among the positive results of labor's campaign to improve its position at a time of growing production in France. Under the terms of this law, the right to negotiate on wages was restored to labor and management, free from Government control, and machinery was provided for settlement of disputes and for fixing minimum wages. * * *

At the end of the 2-year period covered, CGT influence appeared to have declined substantially. For example, it had been unsuccessful in blocking shipments of defense matériel and in promoting the so-called peace offensive among French workers, if it involved strikes and loss of pay. Yet, the organization remained the largest French trade-union confederation, and it had created cynicism and disunity in labor's ranks. * * *

GAINS IN FREE TRADE-UNION INFLUENCE

Despite the fact that the CGT remains the largest confederation of unions in France, there are increasing signs that it has lost influence. During recent years, it has increased its attempts to channel the energies of the workers into political strikes—in seaports, coal mines, arsenals, and transportation. It sought to prevent the shipment of military supplies and troops to Indochina and the unloading of defense materials from the United States. Frequently these political aims were camouflaged under demands for higher wages.

But the CGT has been less and less successful in getting masses of workers to participate in political strikes, and very few have lasted more than 1 or 2 days. Ports such as Marseilles and Cherbourg remained open through the success of the FO, CFTC, and the Independent Confederation of Labor (CTI) longshoremen's unions in supplying necessary manpower for the jobs abandoned by CGT members. These organizations' task was made easier by the presence on the water front of many unemployed who were eager to work, even though they were relatively inexperienced, and by measures taken by the police authorities to control the "goon" squad activities of the CGT which formerly ruled the docks by threat of physical violence. The International Transport Workers' Federation, allied to the International Confederation of Free Trade-Unions (ICFTU), also aided greatly in keeping the ports open.

That the dominance of the CGT was weakened in the 1947-50 period was clearly demonstrated by results of the June 8, 1950, election of representatives to the councils administering the social-insurance and family allowance programs. The unions (and other organizations) waged intensive campaigns to elect worker members of these councils. The CGT was unsuccessful in its attempt to regain control of the councils which it had lost after the split in December 1947. The results were an indication that the CGT had not succeeded up to June 1950 in regaining the members it lost when the FO group seceded in December 1947.

Another highly significant development already noted was the success of the FO and the CFTC (sometimes with the help of the Government which more and more often refused to deal with the CGT) in concluding collective-wage agreements in important industries without assistance from CGT, and frequently despite its opposition. In this, they may have been aided by employers who recognized an opportunity to strengthen non-Communist trade-union elements.

The democratic unions also have been aided by unmistakable demonstrations by Communist Party leaders of their subservience to Moscow. The appeal to Frenchmen by Maurice Thorez (secretary general of the Communist Party) in February 1949, to stand with the Soviet Union at all times—even in the event of an invasion of France—increased the skepticism of the workers, including those belonging to the CGT. The violent demonstrations of Communist deputies against Government attempts to enact defense legislation also cast discredit on the CGT Communist leaders.

Finally, the lack of unity and at times even bitter rivalry between the non-Communist federations appears to be on the decline. Attempts at organic unity, which were not realized, have given way to some degree of cooperation on day-to-day issues. In the national field, this cooperation has received impetus from the recent successes of the non-Communist groups in direct strike action as well as in wage negotiation. Internationally, the ICFTU and the International Confederation of Christian Trade Unions (CISC) have contributed toward working unity. Agreement was reached on the ratio of trade-union representatives on the Consultative Committee of the Schuman Plan,

and on the status of the Christian unions on the trade-union advisory committee of the European Recovery Program (ERP-TUAC), now under the regional ICFTU.

CGT INFLUENCE

The continued influence of the CGT, despite an enormous drop in membership since the peak of its power in 1947, is based on a number of factors, not the least of which is its relatively strong (compared with non-Communist confederations) regional and local organizations. On the whole, the CGT has more capable and better-trained officials and far greater resources and machinery than the FO and CFTC. This is reflected particularly in its retention of preeminence in the basic industries. For both tactical and historic reasons, the free confederations have not pursued a unified policy of action against CGT. Even today, the CGT membership is not composed entirely of Communists. Furthermore, in the immediate domestic programs there has not been much difference between the two groups.

French workers generally supported the CGT postwar program of nationalization, national planning, increased social-security benefits, worker participation in control of industry, higher wages, and fiscal reform. Even after the withdrawal of the Communist Party from the Government and the split in the CGT, the CGT made little basic change in its domestic program. The "cold intransigence" (as Minister of Information Teitgen termed it in a broadcast on March 12, 1950) among employees to all union activity has in the past contributed to the CGT's ability to continue its domination over the labor movement.

FRENCH GOVERNMENT ACTION

Steps taken by the French Government in recent months to combat the influence of communism were welcomed by the free democratic unions. Following political strikes accompanied by acts of sabotage on the railroads and in the ports, the ministries responsible for these industries removed many CGT representatives from Government payrolls and in some cases ordered Government officials not to have any further dealings with CGT unions; at the same time, the National Assembly levied severe penalties against sabotage, which were aimed directly at the Communist Party and the CGT.

In January 1951 the Government ordered the closing of the international headquarters in Paris of the Moscow-dominated World Federation of Trade-Unions, under a law permitting suspension of operations of foreign organizations. The Government also dismissed the Communist mayors of a number of Paris boroughs for misuse of office on behalf of the peace offensive.

Continued price rises in the first quarter of 1951 (the March 1951 Paris consumer price index was 5.3 percent above December 1950) necessitated further wage adjustments. The Government was faced with a demand from unions that it prevent serious inflation, which would reduce already precariously low consumption levels. Efforts to increase defense production without curtailing output of essential civilian goods complicated the situation. They were made particularly difficult because of the effect of the Korean war on the prices of raw materials purchased in a rising world market. In addition, the unions renewed their repeated requests for fiscal reform. The Government shrank from taking drastic steps before the 1951 national elections—the first since 1946—which were scheduled for June or October, the period depending on the passage of a new electoral reform bill.

If prices could be held in check, and purchasing power of the workers continued to improve, it appeared that the influence of the CGT and the Communist Party would

continue to decline. Low real earnings affect the workers' morale and make them vulnerable to Communist propaganda. But, after 6 years, the workers have become skeptical of the Government's ability to control prices and adopt real fiscal reforms. French trade-union officials recently have begun to press for a change in the high-unit-price, low-wage, restricted-output, cartel system to which most French employers have long been accustomed. A few industrial as well as trade-union leaders have stated that only a reversal of these old practices, and increased productivity, can in the long run solve the problem of inadequate real earnings and destroy the threat of communism.

Mr. MURRAY. Mr. President, on the military front, the practical implementation of the Truman doctrine has helped the Turks begin the construction of a modern, well-trained, well-equipped army. The Greek Government, which had been tottering before the impact of Communist-led guerrilla forces, is now firmly on its feet and capable of meeting its political obligations. We have seen the results of our military aid to these two countries. In Korea, both Turkish and Greek soldiers are fighting courageously with American soldiers and other fighting units of United Nations countries.

Within the framework of the North Atlantic Treaty Organization, free Europe is taking important steps toward building an effective, united defense organization in collaboration with the United States. In fiscal 1949-50, the nine European NATO countries—excluding Portugal—devoted some 5 percent of their gross national products to the defense effort. Percentagewise, this compares favorably with our own effort in the same period.

Throughout Western Europe, the mobilization of manpower is proceeding apace. The French draft law, which prescribes an 18-month period of service for the able-bodied, permits virtually no exemptions. Little Luxembourg is being equally cooperative in putting its shoulder to the military manpower wheel. Belgium and the Netherlands are following suit.

General Eisenhower has pointed out that Western Europeans are showing more and more determination in their stand against communism. Much of that determination, the general reports, is at least partially due to the consummation of the North Atlantic act.

America's willingness to work with the European nations in creating economic and political stability as well as in building a mutual-defense system has had a marked impact on Europe's willingness to resist Communist aggression.

Economically, American assistance has been very effective in helping Europe to renovate its history, increase production, and step up its campaign against disease and hunger. Since 1947, the level of over-all industrial production in the 18 Marshall-plan countries has increased some 46 percent. In 1947, that level was just 37 percent of what it was in 1938. In 1950, it had jumped to 127 percent.

Agricultural production in 1950-51 was 110 percent of the prewar level, a jump of some 25 percent from 1947-48. The production curve of the key items of

an industrial economy—in peace or war—tells the same story.

Steel production is up 65 percent over what it was in 1947. Electric power has jumped 37 percent. Rail transportation is up 19 percent. Coal is up 15 percent. The Marshall plan reversed the downward trend of the postwar period of real earnings of European working people, the increases ranging from about 4 to 40 percent in the ERP countries. All of these things are vital indexes of the amazing recovery free Europe has been making—a recovery made possible to a great extent because we have helped others to help themselves.

But the improvement in free Europe's economic situation has been reflected in something more than the cold light of vital statistics. American aid has also helped Western Europe to improve the lot of the man in the street—of the factory worker, the small farmer, and the artisan. Much remains to be done for the common people just as much remains to be done in the mutual-assistance field as a whole. But much has been done.

Take public health, for instance. The early months of the European recovery program were replete with efforts to meet the demands of Europe's millions for medical supplies and disease preventives. Iron lungs have been flown to Italy and France to aid the victims of polio epidemics. Incubators have been installed in Dutch hospitals to save the lives of premature babies and reduce infant mortality to a new low in the Netherlands.

The French Government, with American assistance, is conducting a nationwide drive for the pasteurization and bottling of milk. The drive will do much to cut down the terrible toll of tuberculosis. Malaria, a deadly killer, has been eradicated in many sectors of Greece and Sardinia. American technical know-how and DDT have been instrumental in doing the trick. Penicillin, streptomycin, and other "wonder" drugs have been shipped to the Marshall-plan countries in great quantity. And installations capable of producing these drugs locally have been constructed with American aid.

In Holland, a key soap manufacturing plant has installed American-financed machines which shave soap-processing time from 5 days to 2 hours. In Italy, Marshall plan counterpart funds have gone into the construction of fresh-water systems in key cities. The peddler who sold water in the streets is being replaced and with him have gone some of mankind's most tormenting diseases.

Mr. President, these are but a few of the examples of how the average European has benefited from the American assistance programs. And they are not limited to the public-health field alone. In education, housing reconstruction, and food production the average European's situation is improving.

The United States has done much to help the Europeans put themselves on their feet. We have also helped the people of the underdeveloped areas of Latin America and parts of Asia to meet some of the problems of their existence. But

the ordinary citizen in these areas is still a long way from those living standards which we have come to characterize as American.

In the process, we have been building our own security even as we have been making friends. We have laid a strong foundation for a united defense against the Communist menace. We have demonstrated our willingness to cooperate in the common interest of all the free peoples.

But, Mr. President, we would be deluding ourselves if we were to proceed on the assumption that our job is finished. We would be opening the road to the suicide of the entire free world if we were to allow the prophets of false economy to deter us from continuing our drive for security.

A great President once said that one-third of the American people were ill-fed, ill-clothed, and ill-housed. That same statement can be made for an even greater proportion of the peoples of the free world.

Europe, technologically the most advanced of the free areas with which we are collaborating, is still ridden by inflation. Real wages in most European countries are far below our own. The typical diet is all too often the basic minimum.

The task is still tremendous. The troops with which to meet the most acute Communist menace—that in Europe—are to a great extent still on the planning board. The arms with which to arm those troops are beginning to flow, but that flow must become a Niagara.

This country cannot dare to take its security for granted. Genuine security continues to lie ahead of us. Our failure to achieve it—whatever the cost—could mean disaster.

Speaking of costs, the chronic critics of the State Department have been spreading propaganda to the effect that the mutual-security program would bankrupt America. They had the same thing to say about the Marshall plan and the mutual defense assistance program. They have also said it about the various constructive programs of the past generation. They saw nothing but total ruination in the Tennessee Valley Authority, in reclamation and public power development, in soil conservation, in the various measures for the benefit of agriculture and business, or in the bank-deposit-guaranty measure which has so strengthened our banking system.

Today, these programs have more than paid for themselves. They have contributed to our country's progress and to the welfare of our people. And they have not bankrupted America.

Mr. President, foreign aid is not a one-way street in the economic sense. America derived specific economic benefits in the process of building her own security. Let us look at the record.

America is not self-sufficient. There are many things we must import if we are to maintain a full-production economy. And some of these things are of the highest strategic importance in these difficult times.

Of the 15 basic metals, America is reasonably self-sufficient in only 6. We

must import all the others in quantity. Of the 13 pounds of manganese that go into every ton of steel, less than half a pound is produced at home. We import all of our tin, natural rubber, and cordage fibers. Three-quarters of our tungsten, a third or more of our lead, and more than a quarter of our copper and tin come from abroad.

The point 4 program—now before this Congress as part of the mutual-security package—is designed to help the underdeveloped areas to raise their standards of living, as well as their resistance to communism. It is also a concession to America's dire need for many strategic materials. In helping those areas to develop their economies, we make badly needed friends even as we contribute to our own strategic security. We have already gone a long way toward building a stockpile of hard-to-get strategic materials, and we have been building that stockpile at little or no cost to the American taxpayer.

The Economic Cooperation Administration has been buying these materials primarily with America's share in Marshall-plan counterpart funds, and these funds—as my colleagues know—are made available by the European nations participating in the Marshall plan. Among the scarce materials which had gone into the American stockpile via the counterpart-fund route as of June 1950 were \$26,500,000 worth of Malayan natural rubber, more than \$6,000,000 worth of sisal—which is used for hawsers and rope—and some \$5,000,000 worth of diamonds for industrial use. Counterpart funds have also gone into equipment and capital installations for the production of key metals, such as bauxite, tin, cobalt, chrome, and nickel. This investment will mean vastly increased supplies of all of these metals in the near future—once again at virtually no cost to the American taxpayer.

Another very potent point which our home-grown critics of American foreign policy are all too apt to overlook is that every dollar spent abroad buys a good deal more than it would if spent here. The cost of America's security is actually less—in many ways—because of our foreign-aid programs.

For example, we furnished Denmark with about \$180,000 worth of raw materials to be used in ammunition production which will be worth \$1,237,000. That means one American dollar is bringing a sixfold return in defense materials.

Three hundred thousand dollars worth of machine tools has already made it possible for France to produce almost \$14,000,000 worth of much-needed air frames. That is a material return of \$46 for each dollar spent.

Britain is manufacturing \$3,500,000 worth of antitank equipment because the United States provided a mere \$55,000 worth of copper and zinc. Here \$1 made possible \$65 worth of essential defense production.

And so the story goes for country after country. We build our own defenses even as we help other friendly nations to build theirs. And it is a good deal less expensive than it would have been had

we made the tragic mistake of seeking to go it alone.

America's foreign aid programs have also had a bracing effect upon our own economy. Those programs have helped to keep our employment at a peak by furnishing badly needed markets for many of our products. In 1948, America's export trade provided more than 2,300,000 jobs for workers in the manufacturing industries. In 1948, almost 40 percent of our wheat production, 37 percent of our rice output, and about one-third of our cotton crop went abroad. Where would the farmers who raise these products be today if American dollars had not bolstered up the European economies in the interests of mutual defense?

There can be no quibbling with the vital fact that America's investments in foreign aid have paid off in very concrete terms. They will continue to pay off in those same terms.

We have added to our material strength even as we have assumed the moral leadership of the free world. Our policy of helping others to help themselves will have cost us far less in the long run than the dangerous alternative of halting our defenses at our Pacific and Atlantic coast lines.

Have the beneficiaries of our assistance been standing still with their arms folded while we engaged in this prodigious effort to build the free world's security? The answer is obviously "No."

I have already cited free Europe's production figures and its willingness to cooperate in organizing the manpower with which to deter Communist aggression. The eagerness with which our European allies have come wholeheartedly into the North Atlantic Pact is but a symbol of that willingness.

There are many other specific steps which the free nations of Europe have taken to bolster their economies and their defenses even as they are adding to our security. They have set up the European Payments Union, which has acted as a clearing house in furthering intra-European trade. With few exceptions, they have reduced trade barriers during the past 12 months by agreeing to remove quota restrictions on a goodly share of their imports from each other.

So, Mr. President, the rest of the free world is not riding to safety on America's back. Our allies are carrying their share of the load.

Further, we must measure that share in something more than American dollars. We must measure it against our allies' capacity to produce. We must think in terms of what they can afford as well as in terms of what we can afford.

Understanding our neighbors' problems and helping them to cope with those problems is today the minimum price of our liberty. If, because of our prestige and our power, we are able to meet the other free nations more than halfway, we must do so. Our existence may well depend upon it.

The administration has asked for \$8,500,000,000 for its mutual security program. No one will deny that that is a lot of money. It will impose an additional burden upon the American people. But I will deny the charge that it

is not in our best interests to back the program to the hilt.

In his initial message to Congress on the mutual security program, President Truman stated that \$8,500,000,000 was the minimum amount needed to meet this country's basic security requirements. I accept the President's estimate of our needs, secure in the knowledge that every dollar requested has been given the most painstaking scrutiny. In fact, his request of \$8,500,000,000 was \$1,200,000,000 below the original budget estimate in his budget message on January 15, 1951.

The President outlined the type of organization which he felt would be required to administer the mutual security program. That organization would provide for maximum coordination and efficiency even while allowing that flexibility at the operating level without which a program of this type could not succeed or function. The Senate Foreign Relations Committee has modified the President's proposal to some extent.

The opponents of the President's proposal endorse the provision in the bill as passed by the House, which calls for a new agency to administer the entire program. The dangers of the single-agency approach in the House bill are far greater than the few benefits of economy which might be gained.

The single agency approach would simply add to the administrative complications and we might well lose the advantages already gained in the administration of our past and current foreign aid programs. The unification proposal would remove an essential civilian safeguard against possible military domination, whereas the President's and the Senate Foreign Relations Committee's suggestions would place military and economic responsibilities where they belong. The proposed unified agency would smack of more American imperialism to many nations.

The mutual security program is as great an asset to our own economic stability and prosperity as its predecessors were. It will not bankrupt America, as some charge. In fact, we will be bankrupted by communism if we do not move full speed ahead with the entire proposal of the President.

We cannot afford to pinch pennies and dollars now. That means losing our liberty later. We cannot sacrifice freedom for a few dollars.

Today, we possess the atomic bomb and Russia apparently fears our superiority in that kind of warfare. Yet I, with millions of others, earnestly hope and pray that we never have occasion to use it, and that we will not be forced into another world war. The full development of the mutual security program and the strengthening of the United Nations is the answer to this hope and prayer—that it will lead to peace and not to war.

Despite the world-wide Communist "peace" campaign and the current negotiations in Korea, the Kremlin's long-term strategy continues to be world domination. We cannot allow Communist deceit to lull us into dropping our defenses.

Today, this Congress holds the fate of our way of life in its hands. A vote against the mutual security program will be a vote for Stalin and Communist aggression. A vote for it can mean our salvation. The tree of liberty shall not be felled by the ax of economy.

Mr. FULBRIGHT obtained the floor.

Mr. BENTON. Mr. President, will the Senator from Arkansas yield 3 or 4 minutes to me, if he can do so without losing his right to the floor?

Mr. FULBRIGHT. I ask unanimous consent that I may yield to the Senator for 5 minutes.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator from Arkansas asks unanimous consent that he be permitted to yield to the Senator from Connecticut for 5 minutes without losing his right to the floor. Is there objection? The Chair hears none, and the Senator from Connecticut may proceed.

Mr. BENTON. Mr. President, I am very grateful to the Senator from Arkansas. I had intended to address myself to the Senate tomorrow in support of the amendment which the senior Senator from Illinois [Mr. DOUGLAS] intends to call up, to raise the total authorization for economic aid to the Middle East to \$160,000,000, from \$120,000,000, as recommended by the committee. But, in line with the unanimous-consent agreement entered into tonight, with only 15 minutes to a side, and in view of the fact that many Senators hope to speak on this subject tomorrow, after consultation with the Senator from Illinois I asked for permission to take 5 minutes on this subject tonight. I think it quite appropriate to follow the long and eloquent address on the same subject delivered by the Senator from Minnesota [Mr. HUMPHREY] 2 or 3 hours ago.

Mr. President, out of the large sum called for in the amendment as I understand it, \$50,000,000 each would go for resettlement of Arab and Jewish refugees, respectively, instead of the \$40,000,000 for each group earmarked by the committee proposal. I may say that the amendment of the Senator from Illinois still falls \$15,000,000 short of the proposal approved and passed by the House of Representatives, which called for \$175,000,000.

My various votes on this important bill support the restoration of the entire program as recommended by the State Department and the President for Europe and for all other areas of the world. No other measure that has come to the Senate floor during the period of my service may prove to be more vital to the security of the United States and the maintenance and development of a constructive foreign policy in opposition to the grave dangers posed for all of us by the Soviet policy. However, as the distinguished present occupant of the chair [Mr. HUMPHREY in the chair] pointed out late this afternoon, so much of our debate is concerned with the authorization for economic aid to our friends and supporters on the European continent, so much of our background is involved with them, so much of our emotional interest is tied up with them, that there

is grave danger of overlooking the vital significance of the authorization for the Far East under title II of the bill.

Mr. President, I propose to discuss many other facets of the bill, or several facets incident to an amendment which I wish to call up tomorrow, and, although, as I shall point out tomorrow, the need in many European countries continues to be great, and, indeed, urgent, particularly in relation to the even larger military assistance which we are providing to Europe, the contrast with our proposals for the Near East countries is staggering indeed. Very little of our economic aid has been extended to this decisive area in the world struggle. It is rich in potential resources and strategic in location, but its security is pathetically weak and will continue to be weak unless the economies of its countries are improved and unless there is promise that the living standards of its people can be lifted to some minimum level of subsistence and opportunity.

The Middle East was an object of Russian imperialism under the Czars, and it is manifestly a critical Soviet objective today. To spend large sums for economic aid in Europe, and to stint on the Near East, is to repeat in another theater the classic French error in building the Maginot line along one frontier and neglecting another equally vulnerable. I realize that the authorizations for the Near East fared somewhat better proportionately than the others in the bill in the committee's final recommendations; but the amounts envisaged are pitifully small in relation to the critical need. I would, of course, like to see restored the entire sum proposed by the House as an absolute minimum, and I would like to hope that in the very near future the State Department and the other agencies in the administration will develop even more imaginative and more comprehensive programs on a scale commensurate with the needs and the opportunities in this vital part of the world.

One Near East country after another has lately been rocked by internal crises. The explosive story of Iran, Jordan, Lebanon, Egypt, and Israel is clear even to a casual reader of the daily press. Early in this session, I joined in the sponsorship of the bipartisan resolution to authorize \$150,000,000 in economic aid to Israel.

I may say to the distinguished occupant of the Chair that many of the arguments for this were very eloquently brought out by him in his speech a couple of hours ago. But there is no harm in my repeating the need and importance of the grant to Israel, which I discussed in a public address inserted in the Appendix of the CONGRESSIONAL RECORD by the distinguished Senator from New York [Mr. LEHMAN] on April 18. It was my position at the time, and I refer to it now only to express my regret that we have fallen so far short of it, that the assistance program for the entire Near East should have been developed in figures of that magnitude. I like to hope, however, that the introduction of the earlier resolution dealing with Israel, undoubtedly contributed to the develop-

ment of this more comprehensive program for all the people of the area. As for Israel, it is a country which looks to the West for its future. Its recent elections underscored its repudiation of extremism of the right or of the left. Israel was a bastion of democracy in World War II, and an important workshop and marshaling center. Today, it is the one country in the Near East with the mechanical skill, the facilities and personnel for the maintenance of essential military equipment, as was brought out so well, I may say, in the discussion between the Senator from Minnesota and me. Israel's shops and industries are growing with amazing rapidity, and it is even producing a good deal of the armaments needed for its own defense. Thus economic assistance to Israel is a direct contribution to the general defense of the West against the expansion of Soviet power at the crossroads of three continents.

Mr. President, the restoration of the \$50,000,000 earmarked for Arab and Jewish refugees, respectively, is most urgently indicated. Throughout American history, we have never failed to respond and give assistance in such great human emergencies, involving the fate of important segments of mankind. Here, we have the added reason that assistance in liquidating these acute refugee problems will relieve the tensions throughout the Near East, and thus help us achieve the goal of friendship and security which underlies our entire foreign policy and underlies this entire bill.

Mr. President, I ask unanimous consent to insert at this point the address to which I referred previously, although it was printed in April in the Appendix of the RECORD. If it is in line with the rules of the Senate, I should like to have it incorporated in the body of the RECORD because so much of it bears on this debate and bears on the remarks I have just made.

THE PRESIDING OFFICER. Is there objection?

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

ADDRESS BY SENATOR W. BENTON ON THE GRANT-IN-AID BILL FOR ISRAEL BEFORE MEMBERS OF THE TEMPLE BETH ISRAEL, WEST HARTFORD, CONN., MONDAY, APRIL 16, 1951

Among the many engagements I have made in a crowded schedule for this 1 week in Connecticut, I take particular pleasure in this meeting with you. One reason is that it gives me a welcome opportunity to pay simple tribute to one of your members. I have come to know and respect him for his service in Congress, his integrity, his insight on public questions. Certainly it is one of the happier phases of my service in the Senate to be associated with a man of his capacity. I refer, of course, to your distinguished member, and one of the most distinguished Members of the House of Representatives, ABE RIBICOFF.

Further, I was very glad this evening to talk to you briefly about some aspects of our foreign policy particularly in relation to the grant-in-aid for the State of Israel which I have joined in sponsoring in the Congress. This project, within the area of our foreign policy, is especially related to my own past experience and my present interest in non-military programs in aid of our foreign-policy objectives. In the early 1940's when I

served as consultant to Mr. Nelson Rockefeller in the Office of Inter-American Affairs, his brilliant leadership worked out a pattern of economic and technical assistance which was the forerunner—the grandfather as it were—of the present point 4 program. Later, in my capacity as Assistant Secretary of State for Public Affairs in the 2 years, immediately following the close of World War II, I worked at close range with those other nonmilitary aspects of foreign policy—diplomacy and economic and foreign-information policies in all their varied forms.

In setting up this distinction between military and nonmilitary aspects of foreign policy, we must be on guard against the distortions and unjustified criticisms of these nonmilitary programs by some of their opponents in Congress, and by some of our critics abroad—on either side of the iron curtain. In no circumstances do I assert, nor have we built these programs on the assumption, that polemics about the American way will stop military force. Further, let us beware of the fallacy at the other extreme—that the need for military force in appropriate instances shows that nonmilitary programs are a waste of the taxpayer's money.

Once aggression has taken the form of military force, it can only be repelled with effective forces of defense. That is the meaning of U.N. action in Korea. Further, where military force is ominously threatened, we must employ military assistance to forestall its use. That is the meaning of our Greek-Turkish program, and of the North Atlantic Treaty Organization which we are now implementing.

On the other hand, it is ultimate suicide to place our faith in those who want us to rely on military assistance alone. We must help our friends throughout the world to build economic sinews, for defense against military aggression as well as against economic and political subversion. We must take the lead in helping to develop and improve the economic life in those many areas of the world where economic or political backwardness provide the prime breeding places of communism, and because the prime points of weakness in the free world are around the Soviet perimeter. As Nelson Rockefeller reported recently in his brilliant report—"to do nothing is to invite despair; to act, to hope." The gains of ECA in rolling back communism in Europe show that this hope is tangible and realizable.

In the area of information policy, no informed observer will question the urgency of the great campaign of truth I have long advocated—to combat the falsehoods of Communist propaganda about the motives behind our economic assistance, our diplomacy, and our military aid. But beyond that wholly defensive effort, we must fortify the spirit and the will to resist. Without this spirit, weapons would be useless. What good is a machine gun in the hands of a man who doesn't want to pull the trigger? Further, we must marshal the great leadership and influence of America in the modern world, in advancing the goals of human rights and free institutions, wherever and whenever we can. A brilliant plan along these lines is the McMahon-Ribicoff resolution, of which I am proud to be a sponsor, to get the truth to the Russian people themselves.

All of these objectives and goals and programs are included in this vitally important area which I am calling the nonmilitary aspect of foreign policy.

All these major objectives in American foreign policy would be substantially advanced by enactment of the legislation authorizing a grant-in-aid of \$150,000,000 for the State of Israel. This legislation is in response to the request which has formally been submitted to the State Department by the Government of that country. Senator McMAHON, Senators DOUGLAS and TAFT,

and many other Senators of both parties, about 35 in all, have joined in sponsorship of this important measure. In the House of Representatives, sponsorship has been equally widespread and nonpartisan.

This bill in my judgment is in line with the long-standing policy of the United States, and especially of the Truman administration, to help establish a Jewish Commonwealth in Palestine, or rather to help reestablish on this sacred soil the commonwealth which flourished there in ancient times and for which the Jewish people throughout the ages have never ceased to aspire, to work, to pray, and to die. All of us here tonight can take great pride in the fact that the United States exerted strong leadership in the United Nations to give legal as well as moral sanction to the State of Israel.

My good friend, Lester Markel, Sunday editor of the New York Times, has summed up our profound interest in the new State in these terms:

"There are not one but three Israels—the land of the past, the land of the present, and the land of the future—and to the free world, the story of Israel is a vital and intimate part of the story of mankind."

The Prime Minister of Israel, David Ben-Gurion, has spoken of its future in terms which are indeed prophetic:

"I do not think of Jews as being the chosen people. But we have a dream—to build a civilization in (Israel) knowing that this country occupies a special place in world history, which will be free of the evils of our time. It must be a civilization based on the teachings of our prophets and on the strength of modern science. When I say prophets, I mean the ethics of their teachings; when I say science, I mean the material means to make this country a model for the entire Middle East."

These high goals should have a special reality and vividness for all the people of the United States because in many significant ways the birth and development of this small country of Israel so closely resemble our own. Its people are now moved by the same pioneer spirit as we were. It is the scene of a great migration movement which reminds us of the influx into the United States within the last century. It was born in a revolutionary war which recalls our own. Indeed, history may some day record that the emancipation of Israel's people meant as much for the independence and liberation of the Middle East as 1776 meant to this hemisphere. Yes, this little country of Israel fashions its daily life and its institutions in the image of western democracy. It respects human personality. It defends the right of its people to be free. It encourages private initiative—Fortune magazine has praised Israel's foreign investment law as a model for other countries. While it vigilantly guards the freedoms of its citizens, it mobilizes its economy to raise the living standards of all.

Here is a laboratory for the democratic way of life in the Near East. Here is a pilot plant in an area of the world potentially as sensitive and dangerous as any other anywhere. Here is Israel, within the framework of democratic institutions—businessmen and workers, industry and labor, work together in devotion to the common welfare. Here as in America, is demonstration to the world that a democratic system which fosters free enterprise and simultaneously stimulates cooperative effort can make tremendous strides for the welfare of all.

The great migration movement is at once the most remarkable feature of the new state and the source of its present economic embarrassment. Those who worked for the creation of the State of Israel—and there are many among you who took the lead—told the free people of the world, they told the Congress, they told the United Nations,

they told the people of the United States—that the state, if established, would provide a sanctuary for all who wanted to go there—that the doors would not only be thrown open but that they would stay open. Now, I do not think that many of you ever anticipated that in less than 3 years the DP camps of Europe would be emptied of all Jews; that Israel's population would be increased by almost 600,000 men, women, and children—a 75-percent increase in 3 years. Such a voluntary mass influx has no parallel in recorded history. The United States never in any single year increased its population by more than 3 percent. By the end of 1954 the State of Israel will have increased its population by 200 percent. The anticipated increase within the next 3 years alone would be equivalent to an immigration of 70,000,000 people to the United States. This immigration has been called "not a melting pot, but a pressure cooker."

This movement is further remarkable for a great and unique reason; the criterion of admission has not been the welfare of the existing community, but, rather, the overriding necessity of those who entered. Moreover, the only deepening crisis in international affairs serves to increase the scale and urgency of this immigration.

I need not tell you here tonight about the significance of this human tide. Too many of you have been closer to the problem than I have. But let me mention the aspect which has impressed me most strongly. This is the emphasis on the welfare of children. Special programs for the movement of orphaned children have been developed with the utmost care and love and effectiveness. They are now pouring into the country at the rate of about 100 a month, and they come, mind you, from 62 different countries, with all the problems and the needs that single fact implies. As the parents of three orphan children—three of Mrs. Benton's and my children are adopted children—you will understand the strong emotional appeal which this great program has for us.

Receiving and expanding and aiding this great human stream is a remarkable economy geared to long-range economic goals as well as to the urgent problems of immediate rapid growth. Among the many achievements are the growth of thousands of small manufacturers and other independent businesses, in a great variety of fields looking to the self-sufficiency of the country in the not-too-distant future. In a single issue of a monthly publication of the Jewish Agency for Palestine which crosses my desk, entitled "Economic Horizons," I have read in concrete terms the story of new rubber tire factories, of chemical plants, of nonferrous industries, of manufacturers of shoes and clothing, of hotels, shipping, dairy cattle, handicrafts, of new pipelines and agricultural settlements, of new forests and new fisheries. American capital has been the major stimulation of these new and vital horizons in free enterprise in the Middle East—the General Tire and Rubber Co., the Ford Motor Co., Kaiser-Frazer and many others. Think a moment of this amazing part: investment in new enterprises in Israel was equivalent to more than 25 percent of the national income in 1949 and more than 30 percent of the national income in 1950.

The population of Israel itself has tightened its belt to a degree not known in our country—or in Great Britain even in wartime. The United Jewish Appeal has contributed more than a total of \$230,000,000 from individual Americans between 1948 and 1950. The United States has granted loans through the Export-Import Bank, at interest, to help finance this great capital expansion upon which the future of Israel depends. Yet the need for hard currency continues at high and emergency levels. In order to bridge the gap until the expanded economy of

the country can come into balance with the consumer needs of this growing population, Israel will continue to require great economic help from the outside. Otherwise, it cannot maintain its economic gains and fulfill our hopes. The grant which is provided by the legislation now pending in Congress will greatly help in bridging this dollar gap.

Since World War II the United States Government has helped to restore many countries impoverished by the conflict. Its program of assistance has been threefold. It began with direct relief to people in need (MNRA). Second, we went on to stabilize their economies and thus strengthen the democratic institutions of their governments. Finally, we are now assisting them to erect their military defenses.

This three-prong policy has braced the free world. Nations menaced by subversion have been enabled to maintain their freedom. Nations threatened by aggression have been encouraged to buttress their defense and to affirm their determination to resist attack. New vitality has been given to the great concepts of liberty and human rights.

President Truman's chief messages to Congress this year have stressed the importance of continuing our foreign-aid programs. Military aid predominates in Europe, economic aid in the Near and Far East. President Truman has put it well: "Economic stabilization is the advance guard of Soviet conquest—Economic development is the spearhead of freedom." By far the greater part of our foreign aid in recent years has been in the form of grants; in 1950, grants represented 92 percent of the total, to countries all around the world. The presently proposed legislation will include Israel.

The point 4 assistance which Israel has thus far received—in the amount of only \$500,000—has been devoted entirely to technical assistance. Fortunately this has not been devoted to such areas as elementary sanitation or education, important as these are, but rather advancement of techniques in industry and agriculture to the technicians directed to the special problem of this semiarid country. The newly proposed grant of \$150,000,000 would be a specialized form of point 4 assistance, in the highest and best sense of that program.

Mr. Sidney Sherwood, Secretary of the Export-Import Bank, has publicly paid tribute to the economical and effective use made by Israel of the loans advanced through that agency. With the safeguards written into the proposed legislation, and with the degree of private investment which Israel is achieving, there can be no question of the effectiveness of the grant to accomplish major objectives of the point 4 program—to help other people to help themselves, to develop the means of production and of livelihood, to advance the goals of freemen everywhere.

Israel has already returned compensating benefits to us by its refugee resettlement program which has vastly reduced the burden of DP camps on international relief agencies and upon the United States Treasury. The grant now proposed is a substantial investment in progress which will bring far greater dividends per dollar than any thing we could spend on the DP camps. We should consider ourselves well rewarded if, in this critical area of the world, on the bridgehead of three continents, close to the dividing line of East and West, we help to erect a sturdy democratic nation, dedicated to the defense of freedom, determined to resist aggression, pledged to stand firmly in the front ranks of the free world.

Mr. BENTON. Mr. President, I am deeply grateful to the distinguished Senator from Arkansas for yielding me time.

Mr. FULBRIGHT. I am always delighted to yield to the distinguished Senator from Connecticut.

Mr. President, I desire to say a few words in support of the amendment which has been submitted by the senior Senator from Rhode Island [Mr. GREEN], the senior Senator from Connecticut [Mr. McMAHON], the junior Senator from Alabama [Mr. SPARKMAN] and myself. Unfortunately prior commitments require my absence from the Senate tomorrow, and I feel it necessary to say a few words about this particular subject.

First I may say that as a member of the Foreign Relations Committee I voted against the formula which was adopted calling for a 5-percent cut in the military authorization in the pending bill, and, to a certain extent, in the economic authorization. We had excellent testimony, I felt, that justified supporting the entire request, and, in addition, supporting the view that if any cut is made it should be in proportion, because this program was developed by the military and political authorities as an integrated program. They believe that the so-called economic item is just as important to the military objective as is the military item itself. We have fallen victim to the conception, and many people have the view, that the economic feature pertains only to purely consumer goods for the civilian population, which I think is an erroneous conception of the whole program.

I should like to recall for a moment some of the things we have done in an effort to try to offset the challenge of Russia and her satellites during the past 5 years, particularly what we have done under the Marshall plan. I think this program is a logical extension of the idea of the Marshall plan.

When that idea was first broached it was received with great enthusiasm, certainly on my part, and I think on the part of the people of this country. We carried that program on in a successful way, and had not the serious situation in Korea developed I believe we would be well on the way to liquidate the whole undertaking. But that is neither here nor there. Instead of our relations with Russia getting better, they have obviously worsened, and it is necessary to extend the idea of the Marshall plan, with emphasis upon the military aspects of the program.

I believe that, in a sense, an irresponsible position has been taken by many who have not studied the programs which have been carefully worked up in support of the administration's figures for this bill. I have reference particularly to our foreign missions, both in the civilian field of ECA in Europe and the military missions in Europe and in such places as Greece and Turkey. It seems to me that one must be very presumptuous, indeed, to challenge the validity of this program.

If some vital interest of this country has come into conflict with these figures I am quite willing to accept such an approach. In other words, if we were on the verge of bankruptcy, if we had no money whatever, if the appropriation of the amount called for by the original request were simply beyond our capacity, of course we would have to cut our suit according to the cloth. But I have seen no such reasons advanced in justification

of the cuts. The arguments made in favor of the cuts did not impress me. The cuts seem to me to be arbitrary figures. They were simply taken out of the hat. There was an original proposal, I think, for a 15 percent cut across the board. Somebody else said, "Well, I do not like that. Let us make it 5 and 30." I do not think any particular reason has ever been advanced as to why 5 and 30 is a good formula. It seems to be a formula that fits into the pattern of the House, which is roughly \$1,000,000,000.

I have read some of the debates in the House as to the cuts. They seem equally irresponsible. The proposal for a \$350,000,000 cut which came after several amendments had been voted down seems to me to be equally irresponsible. I have seen no persuasive reasons for the amounts suggested.

Finally the measure came before the Senate committee and, as I said before, I voted against the formula of 5 and 30 in the committee. Nevertheless, we have the bill before us, and I strongly urge the Senate to support the amendment proposed by the Senator from Rhode Island [Mr. GREEN] and other Senators, to which amendment I have already referred.

We have, on the other hand, some very persuasive arguments from General Eisenhower. What has been most persuasive to me in his argument is his strong endorsement of the idea of a federation of Europe.

I may remind the Senate that when the ECA authorizations were first brought before this body I attempted to have incorporated in the original authorization, and in each succeeding authorization, a statement that it was the policy of this Government to favor the federation of Europe. Later I believe we used the words "the political unification of Europe." But in any case, as I understand General Eisenhower's idea, it is the same.

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

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. FULBRIGHT. I yield.

Mr. McMAHON. I desire to pay a compliment to the Senator from Arkansas, if he will allow me to do so, for the statesmanlike vision he demonstrated on the occasion of which he speaks. The argument was advanced then that if we suggested any political change in Western Europe the Soviets would blow it up into an attempt by us to dominate the political fabric and the political complexion of Western Europe. The majority of the Senate listened to that and voted down the proposal of the Senator from Arkansas. The Senator was right. Time has proved that he was right. History will show that he has been right.

Mr. FULBRIGHT. I appreciate very much those words of commendation by the senior Senator from Connecticut. I know of no one from whom I would rather have such an expression, because he has certainly demonstrated in his own particular field having been entirely correct on many occasions.

Mr. President, I desire to emphasize the very strong statement that General Eisenhower has made with regard to this matter. I do not wish to read a great deal, but I have in my hand an Associated Press dispatch based really upon the report made by the Senators, including the Senator from Connecticut, who recently visited General Eisenhower in Europe. I want to read just one paragraph from an Associated Press dispatch headlined Washington under date of August 27:

Eisenhower spoke hopefully of the day when all Western Europe might be joined together in a federal union, saying:

"I realize that a lot of my professional associates are going to think that I am completely crazy, but I will tell you that joining Europe together is the key to the whole thing. And if you can help do it with a European army, I am ready to put a lot of work in it.

"Personally," he said, "I am hopeful that many of our problems would disappear if this whole area of Western Europe were one federal union. I believe it so strongly that I do not believe real security is going to be felt in the United States, in the British Empire, and other nations of the globe until that comes about."

It so happens that about the same day, or the day after, the National Planning Association issued a very strong statement to the same effect, in which they said that our policy in Europe has been inadequate because we were not promoting, with all the persuasiveness which we could muster, the idea of the federation of Europe. I think the pending bill, with its approach to the economic as well as the military aspect, and in support of General Eisenhower, would be a great step along that road, now that people such as General Eisenhower have accepted that as a proper goal.

It seems to me that we tend to become overpowered by the military aspects of the problem, because of the critical situation in Korea, and the ominous reports we get from Russia, such as the one we got this morning. On reading the account in the New York Times of this morning, in which it was quoting all the newspapers of Russia, every one that I ever heard of, which said that the United States is prepared to attack Russia, I was reminded clearly of what Hitler said just before he jumped on Czechoslovakia, on Poland, on France, or on whatever country he wanted to jump on. Always when he was getting ready to attack some country, he said that that particular country was making ready to attack him.

I grant that the situation is very ominous. Nevertheless, I do not think we are justified in devoting all our efforts to the purely military aspect of this program, as necessary as that may be. I think the economic feature is quite as important, and absolutely essential if we are to try to build a world in which we can construct some kind of lasting peace. So it seems to me that it would be a great mistake to cut this bill at this particular time.

If we must make a choice, I would advise that we cut some item in one of our domestic appropriation bills for the military in an equal amount. Several such bills are now being considered by the

Congress. If I recall correctly, there is roughly some \$48,000,000,000 plus in the present budget for military appropriations. So if it is absolutely necessary to keep the total over-all budget within a set figure, I think it might be wise to transfer from our own domestic military the amount involved in this cut—in other words, approximately \$1,000,000,000. I believe that a cut such as is contemplated by the bill before the Senate might well have a very depressing psychological effect upon the European countries. According to the best reports available here, particularly from the committee which recently visited Europe, the European countries have committed themselves to very substantial efforts in the coming year.

In connection with the report which I just read from General Eisenhower, I saw a further statement by Lt. Gen. Alfred M. Gruenther. He makes several comments, but this is typical:

In terms of military budgets, considering the European effort as a whole, "there has been an over-all increase of 75 percent over the past year. These countries have now come up to 95 percent of the target figure they should."

In terms of length of conscription periods, "there has been an average increase of 35 percent since June a year ago."

In terms of munitions production, information "seems to indicate that there has been an increase of 70 percent over all."

He goes on with several others items, one of which is:

In terms of morale, determination, and "courage to face the threat and requirements it imposes, the feeling is that we have reached solid ground."

"For every dollar provided under this program for equipment to help in the building up of European forces, four or more dollars would have to be provided to build up United States forces having the same contributions to the United States security in Europe."

It seems to me that that is a very practical way to regard this bill and the significance of the cut which the committee has recommended. The testimony before the committee—at least in my view—was very persuasive, to the effect that for every dollar which we put into the economic effort in Europe under this bill, we will get three or four dollars of production of military equipment by the European nations themselves. That would appear to me to be very simple arithmetic which anyone could understand, and would be to our advantage.

I think one could properly observe that one reason why we have such tremendous expenditures now, and why they are necessary, is the lack of wisdom and foresight in our policy in the past. It appears to me to be quite a reasonable argument that if in the beginning of the Marshall plan we had insisted upon the unification of the European countries we might well now be so far along in the strengthening of that area that this appropriation would not be necessary, or would be much smaller. But if we persist in being stupid, we must pay for it in one way or another. I feel that this is a part of the penalty we are paying now for not having had a wiser approach and having had more

foresight 3 or 4 years ago when the Marshall plan first started.

Nevertheless, there is no point in criticizing past action. It is a question of what to do about the present situation. I for one am convinced that it is a good investment—probably the best investment for our own defense—to provide the full amount originally requested in this proposed legislation. I think we shall get more for our money if we assist in the building of factories and productive capacity for military goods in Europe than if we were to put the same amount of money into our own economy. As a matter of fact, our own economy is becoming so strained now from many points of view that I think it would be much wiser to distribute this assistance among European nations, particularly France and Italy.

Italy, for example, has serious unemployment. It has excess capacity in the mechanical end, that is in factories which could make trucks, guns, small arms, and all that sort of thing. So it seems to me it would be a very wise investment to put more of this money there and permit the Italians to work and produce, rather than to add much greater burdens upon our extended economy.

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

Mr. FULBRIGHT. I yield.

Mr. McMAHON. Bearing on the point which the Senator from Arkansas has just made, I believe that there are about 2,000,000 unemployed in Italy today, which is a very large number for a country of the size and population of Italy. When we were in Rome, De Gasperi pointed out the bad effects of the unemployment situation, the loss of colonies, the lack of emigration, and the constant increase in population. The Italians do not believe in birth control. They are not raised that way. They have a 400,000 increase in population every year. De Gasperi said, "Unless we can get some contracts and some economic help to take up the slack in employment, the favorable curve which we have had with respect to communism might be reversed."

I wish to emphasize the point which the Senator has made with respect to the relationship between the economic situation in Italy and our security.

Mr. FULBRIGHT. I thank the Senator. He has emphasized a point which, after all, we should not overlook. At least on my part—and I believe on the part of most of the people of the country—our objective is still to try to prevent a war, and only secondarily to win one if it must come. We still are not committed to the idea of a preventive war. We are still doing things in the belief that they will prevent war. If that is true—and that is at least my view—then it is very important to use this aid, if it can be used in an efficient way, in such a manner that it will tend to reduce communism in such countries as Italy and France. So we shall be killing two birds with one stone. First we shall get production. No one denies that the Italians are extremely ingenious and effective in the production of many types of mechanical goods. They make

excellent trucks, small arms, and that sort of thing. We shall get goods; and, at the same time, I think this program could have a great influence in decreasing the attractiveness of communism in that country. That is why I believe we shall get more for our money in that situation than by spending the same amount of money in some of our factories, which are already short-handed. At the moment we are straining our economy almost to the limit, and we are only beginning. In another 6 months contracts will begin to take hold in our various factories, and we shall have a very heavy program of production.

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

Mr. FULBRIGHT. Yes.

Mr. McMAHON. The Senator from Arkansas spoke about the ambitions which still remain in the free world to avoid a war. I am glad that he makes the point. I believe one of the saddest things that could happen to us would be for us to join in the Soviet thesis that war is inevitable. They believe it. They have said so. Lenin, Stalin, and all the other Communists have said so. It is a part of the orthodox body of opinion which they must believe if they are to remain members of the lodge in good standing. I take it that the Senator's point is that he thoroughly agrees that we are not ready to subscribe to the proposition that war is inevitable, but rather that we must devote our efforts as freemen to preventing what would be the greatest catastrophe and holocaust which the world has ever known or imagined.

Mr. FULBRIGHT. The Senator is entirely correct. I certainly follow the thesis stated by the Senator. That is why I share the same conviction the Senator shares with respect to such programs as point 4. If I did not believe that there was still a chance, and a good chance, of preventing a world war of the kind which the Senator has so graphically described on many occasions, knowing as much as he does about the atomic aspects of our preparations, I would not feel as I do. I thoroughly subscribe to the idea. Therefore, I feel that this particular program can be used in such a way as to contribute a great deal to strengthening the countries from the point of view of their own internal political situation, if it is wisely used.

I am quite willing to admit, as I have already done, that ECA was not used as thoroughly in that way as I should like to have seen it used, specifically with reference to the federation of Europe, and in other ways. I am informed that it has been used in such a way in France and Italy, for example, that it has not given benefits to the workers in the same proportion that benefits have been given to the owners of factories. I realize that it is a difficult thing to do. I do not like to be critical of the State Department. They were trying to do a big job, and they did do a big job in a fine way. They did not, however, employ all the means to bring it about. I wished they had done so. It would have helped them to

keep down more effectively communism in those two countries. I regret that they did not do so.

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

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not correct to say that the Senator from Arkansas offered amendments, both when ECA was originally proposed and when the appropriation was renewed, to the effect that there should be added help so as to induce the countries in question to work for political and economic integration.

Mr. FULBRIGHT. That is correct. I did offer amendments designed to use some of the money for a sort of incentive plan, and to tear down tariff barriers and permit the free movement of capital and goods.

Mr. DOUGLAS. Is it not also correct to say that when the Senator from Arkansas offered such amendments they were opposed by the State Department and perhaps the ECA?

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. The State Department and ECA refused to back up the Senator from Arkansas. Therefore they must bear some of the share of responsibility for failure to integrate Europe.

Mr. FULBRIGHT. I believe the Senator has stated the situation correctly. However, I have long since passed over that situation. I hold no grudge against anyone.

Mr. DOUGLAS. I hold no grudge, either, but I think the past should be known, and the record of the State Department in this respect should be known.

Mr. FULBRIGHT. It is quite true that in the hearings—I forget which year it was, although I believe it was the second year, 1948—

Mr. DOUGLAS. 1949.

Mr. FULBRIGHT. I do know that in the hearings the Secretary of State directly challenged the idea that it was wise to insist upon a unification of Europe. He said it was premature to do so. He stated it should wait until there had come about greater economic strength in the European countries, and that we must first build them up. I did not agree then and I do not agree now, that that is correct.

Mr. DOUGLAS. Is it not quite possible that a great deal of trouble would have been avoided if the State Department had accepted at an earlier date the ideas of the Senator from Arkansas, instead of belatedly adopting them in 1951?

Mr. FULBRIGHT. I like to think so.

Mr. DOUGLAS. I am profoundly convinced that the attitude of the State Department in this respect, as in so many other respects, is one of ignoring suggestions which come from outside sources, or turning them down as foolish and ridiculous. But when they are convinced that such suggestions are worth while, they put them into effect as their own ideas, without giving anyone else any credit for them. In that respect the State Department acts like a brutish husband, who turns down a suggestion of his wife as foolish and as having no merit, but who later, on finding that it

is a good suggestion, seizes it as his own and says that he had thought of it all the time. Is that not correct?

Mr. FULBRIGHT. Well—

Mr. DOUGLAS. The Senator from Arkansas is more charitable than the Senator from Illinois.

Mr. FULBRIGHT. I dislike to single out the State Department. I found a great many people who felt that way.

Mr. DOUGLAS. That is true.

Mr. FULBRIGHT. Now that General Eisenhower and others have adopted the idea, and have strongly urged it, I am particularly interested, and I want to support that effort. As I said before the Senator from Illinois came into the Chamber, I believe we are paying for our short-sightedness by having to appropriate a great deal more money than we would otherwise have had to appropriate. But people must always pay for their mistakes. If a man makes a mistake in his own business, it will cost him money. I think it is particularly true in this connection. If we had had a start of 3 or 4 years in this regard, we would not now need to appropriate so much money. We could appropriate a much smaller amount. But that is the usual experience.

Mr. DOUGLAS. What could be done to bring the State Department into closer touch with the better thought of the Nation in that regard? What does the Senator from Arkansas suggest?

Mr. FULBRIGHT. The Senator from Illinois is getting me off the track. It is an extremely difficult problem. All we can seek to do now is to try to get sufficient funds to enable the military, particularly in the countries of Europe, to go to work in the way they have agreed to do. Before the Senator from Illinois came into the Chamber I read the statement of General Gruenther, who I believe all of us feel is a very able man. The testimony was unanimous that the people of Western Europe are showing some enthusiasm for the first time. General Eisenhower has inspired some enthusiasm, and so has General Gruenther. Now they are ready to go. It would be a great shame to cut their heads off at this time.

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

Mr. FULBRIGHT. Yes.

Mr. HOLLAND. On the very point with reference to the attitude of European countries, does the Senator from Arkansas have any assurance that ECA help would have been acceptable to European countries at the beginning or even in the second year, let us say, if it had been coupled with a condition requiring federation at that time?

Mr. FULBRIGHT. I do not believe that matters of that kind can be reduced to such specific terms. I did not propose that the aid be conditioned upon a federation of Europe. The federation of Europe is a very difficult and complex thing. All I asked was that our country accept as the legitimate, proper, and principal goal of the program the unification of Europe, and that everything be done to promote it. We had the words of such persons as Auriol, and even Attlee, that Europe must be federated. Many leading men have made state-

ments to that effect. All that was needed, apparently, was a little push from us.

Instead of building tangible things such as plants, roads, and so on, some money should have been provided for tearing down obstructions to the free movement of goods and people. Of course, there would have been some dislocations, which would have been costly. If our money had been used to make the transition easy, to compensate, for example, those areas which would have suffered, it would seem to me it would have made a contribution to the ultimate objective.

However, I did not want to go into that altogether. I am not seeking to attack the State Department. After all, that is all we have to work with. We have to do the best we can. Some other time, when they are under consideration I shall be quite willing to go into that subject. I do not want to get off the track now in that respect. What we are trying to do now is to have some success in the European situation.

I said that General Eisenhower is a very persuasive man. He has come out strongly for the idea. The National Planning Association, whose statement I have just read, is also in favor of it. Others are in favor of it, too. Even the State Department thinks it would be a good thing if we could get a unification of Europe. They are backing the Schuman plan. It is a step in the right direction. It is a small step. However, they did take it, and it is on the way, I hope.

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

Mr. FULBRIGHT. Yes.

Mr. McMAHON. Of course, the Senator has not forgotten the European Payments Union.

Mr. FULBRIGHT. That is correct.

Mr. McMAHON. Which again has a coordinating effect. Before the distinguished Senator from Illinois [Mr. DOUGLAS] came into the Chamber the Senator from Connecticut had complimented the Senator from Arkansas on his vision and leadership. I meant what I said.

However, lest we be too severe with the State Department, let us not forget that in 1946 Western Europe was about ready to go over the precipice, about ready to be encompassed within the hungry arms of the Great Bear; and it was a certain gentleman by the name of George Marshall, now our Secretary of Defense, then our Secretary of State, who had as his Under Secretary a gentleman named Dean Acheson, who went to Mississippi and tried this out; and then Marshall suggested to the European countries that if they would get together and suggest a plan, we might be able to give them some sustenance, to keep them from going over the brink.

Europe did that, and we kept our word, and in the Congress we created the ECA, which I believe is one of the most magnificent chapters which ever has been written by a free people, and one of the finest exhibitions of leadership any country has ever shown at any time.

Yet, I say to the Senator from Arkansas, there are in this country those

who spend all their time pursuing others with whom they disagree, who fought with all the resources at their command, with the support of great newspaper chains, to defeat that program, and would thus have turned Western Europe over to Russia. If they had been successful, tonight we would not be talking about saving Europe and thereby helping the security of the United States, but we would be talking about defending ourselves on the shores of the Atlantic and the shores of the Pacific.

Mr. FULBRIGHT. Mr. President, I could not agree more than I do with the Senator from Connecticut. The point he has raised is one reason why I have refrained from being too critical of the State Department. After all, there were many persons and groups besides the State Department who did not realize the situation. After all, in the Senate there were only 28 votes, as I recall, in favor of that recommendation. So this body has to bear as much of the blame as the State Department does, for this body supported that view. It is true that with some strong leadership from the State Department, some votes in the Senate might have been changed.

Nevertheless, a free and open opportunity was given to this body to include in the legislation that statement of policy—for, after all, it was only a statement of policy—but that opportunity was ignored; in fact, it was ignored on two or three occasions.

So I do not think we should be too harsh on the State Department. Many persons did not then realize what had happened and did not realize the effect on Europe of the industrial revolution which had occurred there, and did not realize that the industries there had long since become continental. In Europe many persons thought it was still necessary to use cartels and other artificial barriers, and they were used in ways that the Senator from Connecticut well knows. However, many persons in Europe did not realize the necessity of breaking down the old, obsolete system and creating a new one.

I believe if that can be done now, if the European countries can ever make that transition, that Europe can become an extremely powerful and stable community, and then I believe they can be a very important member of the North Atlantic alliance, whereas today they are a drain upon us, and would be of no help in case of a show-down. However, I think those countries can be of great help to us.

After all, in the case of Europe we must consider not only the countries strictly within the limits of the continent of Europe but also the countries which are dependencies. Those dependent areas are doing a much better job, and in many cases I think they can be a source of great strength to us.

Certainly the reverse is clear, namely, that if they came within the Soviet orbit, there would be a situation in the case of such things as steel and coal and manpower which would be extremely serious for us, for in that event the 275,000,000 people of Europe would then be placed in the Soviet camp, and we would be left

with our 150,000,000 people. So there is no question but that such a change would be most disastrous.

We have made our choice, it seems to me, between doing it alone and working with a coalition. There is nothing more difficult, it seems to me, than a coalition in peacetime, when there is not an all-out war. However, it seems to me that the latter policy is the one which we have instinctively decided to follow; at least, that is what I have decided to follow. I think that is one way by which we can avoid a third world war. If that way is successful, it will create a balance of power in our favor so great that it will deter the Russians. I think that is the justification for the program.

So I think it is extremely important that we strengthen Europe and, if possible, help her, by unity, to become a great force with the western civilization in the preservation of peace.

There is another aspect of the program on which I wish to comment at this time. I do not desire to cover all the program; after all, the committee report is an excellent one, and the chairman of the committee has outlined in some detail the general provisions of this measure. However, I cannot conclude without paying my respects to the point 4 program. It involves a relatively small amount of the total authorization. In round numbers, the original authorization carried in the bill for the point 4 program was approximately \$125,000,000, which now has been reduced to approximately \$87,000,000. That item bore the full brunt of the 30-percent formula reduction.

In the long run, I think that program contains more promise than anything else we are doing, especially when we consider it along with the program of the exchange of persons. I think the two programs are very similar in effect; and when they are joined together, I think they can do a great deal to weld the free peoples together into an effective union.

Mr. President, I regret exceedingly the cut which has been made in the South American item. After all, it was only \$22,000,000, including a payment to the United Nations; but now that item has been cut to approximately \$15,000,000. That is a very substantial cut, a cut of more than 33 percent, I believe. I think it will unduly hamper the modest activities which have been going on for a long time in South America, and which have had extremely effective cooperation from the South American countries.

The program is strictly an educational one, a program of giving to those people the knowledge we have in simple techniques in sanitation, for instance, both as applied to individual homes and as applied to villages.

Of course, that work is always very close to the heart of all of us agriculturalists from the rural States, because we are so familiar with the work of the county agents. All the county agents did was to bring to the farmer knowledge which was developed in the schools and in the great research organizations. There was no way, even in this country, enlightened as we think we are along certain lines, for the farmers to know about these modern methods. It is even

more difficult in foreign countries; and to enlighten them is the primary objective which the point 4 program is designed to achieve.

It seems to me very shortsighted to cut the appropriation for South America down to \$15,000,000 for the 21 countries, as I believe the number is, or less than \$1,000,000 per country. We can scarcely sustain any kind of program with such an amount; and I am sure the program will pay large dividends, leaving out the military feature. I have no doubt it will build good will, which will be valuable if we were to have an all-out fight. On the other hand, in the long-term peaceful development of this hemisphere, what could be more valuable than to teach the people of those countries to help themselves? That is the way to avoid the necessity for recurring large appropriations like this.

There is also involved the theory I entertain about a federation of Europe. If we could help bring it about, it would help relieve us from any necessity of protecting ourselves by trying to bolster the countries there by shots in the arm. I grant, if that is what we have to do, some day there must be an end to it. We cannot afford to continue it. I have been hoping we would have enough sense to make a move in that direction. I now see at least a glimmering. At least General Eisenhower has come out strongly for it.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield to the Senator from Illinois.

Mr. DOUGLAS. Has the State Department come out for this plan of the greater integration of Europe?

Mr. FULBRIGHT. Yes; they have, belatedly, as the Senator from Illinois stated a moment ago; it is my information that they now feel it is the right thing to do; and there is language in the pending legislation which they approved. It is almost the same language to which we referred a moment ago, which was approved in the initial legislation. It will be found in the early draft of the bill; so they have approved it. But I specifically singled out General Eisenhower because of the influence he now has with Europeans. So I think it is time for us to get in and push, rather than to withdraw. The way to end the recurring necessity for these heavy appropriations is to enable the people abroad to help themselves. That particularly holds true of South America and the Near East.

I was critical of the program which was proposed as to Iran. It provided for the shipment of huge, self-propelled combines, in which the great city of Chicago specializes, at a cost of \$4,500 apiece, and large motor-drawn combines, at \$2,500 apiece, as well as innumerable tractors at \$2,500 apiece, or thereabout. I think it a wholly impractical and wasteful program to approach the problem in that way; whereas, if county agents were sent, who would teach the foreigners how to plow with a steel plow, instead of a wooden plow, those plows, as Mr. Holmes testified before the committee, could be bought in India at \$1.45, as against the \$4,500 com-

bine; and they need the plow much more than they need the combine, because they have to produce crops this year, and the knowledge and the conditions do not exist which will make possible the necessary production.

If we adopt any such project in the case of Iran, we shall have to send the personnel along to operate the machinery or they would ruin it in a short time. We had arguments about that. I did not approve of that part of the program, but I am thoroughly in accord with the so-called point 4 program, under Dr. Bennett, who has made an excellent record.

It is a manageable program. We can sustain it in all the designated countries for a long time and not miss the money, if we keep it on the scale proposed; and I am thoroughly in accord with keeping it on that scale.

I offered amendments providing that in regard to all these new programs, the administration would have to come to the Congress each year before they put the programs into effect, for the purpose of consulting the committee and letting us have a say about it. I hope they will carry out that directive in good faith. It is in the report, not in the bill. I had considerable argument with some other members of the committee, and I may say the committee supported the amendment in regard to point 4 unanimously, so they are all in agreement with that particular program.

However, that feature of the program bears the major part of the cut, in other words, the 30-percent cut in the bill; and I think it a mistake to cut the program down. In the long run, it is a mistake. It costs much more money in the long run in countries like Iran, Syria, Lebanon, and all through the Middle East, as well as in India and Pakistan. What India needs more than anything else is knowledge on the part of her farmers as to how to use, not combines, but long-handled hoes, instead of short-handled hoes.

Mr. DOUGLAS. Scythes instead of sickles.

Mr. FULBRIGHT. That is correct. That is what they need; and such knowledge would lessen the burden of the people greatly.

I have referred to Mr. Holmes. If the Senator has read or if he would read the hearings wherein Mr. Holmes describes his work in India, he would learn that in 3 years he doubled the production of wheat in the area in which he worked. He brought the average yield of wheat in that area from 13 bushels per acre to 26 bushels. It is really getting somewhere, when one can do that. And how much did it cost? His little operation cost \$70,000. There were three men in his team, and they trained 300 Indians to be acceptable county agents in a period of 3 years.

If we could send out 100 or 200 teams composed of men like Holmes, I would be for that; it would represent real progress, and would bring quick results. The question is how much we want to do in that connection. We can, I think, do more along that line than we are doing; but I do not quarrel about that. I think the program which was set up

was a reasonable one, with the exception of the use of high-powered machinery, which only the intelligent students of the Senator from Illinois, and a few from Iowa, really know how to operate. We are just beginning to get a few such machines in my State, because of the expense, the size of the farms, and for other reasons; and there are many sections of this country where that kind of machinery is not used. It is suitable only to the great plains, I think. I do not believe it would be suitable in many places. There may be a few.

There is another aspect. I recently read a very interesting article in the New York Times on the probable effect on the high prices of cotton of the importation into Syria of some of this fine machinery, that is, as the machinery might be used by a few of the large landowners. But there is a social aspect to the problem. We are not trying to increase the prosperity of a few large landowners in that area of the world. Senators have never heard that Iraq is owned by 200 families. I am not particularly interested in any 200 families. What we are interested in is what the point 4 program is designed to do, namely, to reach the peasant farmers, the very poorest of men.

We have no business spreading around appropriations of this sort for a few of the great potentates in the part of the world where the money is to be sent. I think it would have an adverse effect, if we kept building up the great disparity which already exists in too great a degree in that part of the world.

Mr. President, I must conclude. I only wish to reiterate that I hope the Senate will consider most carefully the pending legislation, and will support the amendment proposed by the Senator from Rhode Island [Mr. GREEN] and the other Senators whom I mentioned a little earlier.

Mr. MORSE. Mr. President, I certainly had no intention of speaking today, but when one of my colleagues proposed an amendment this afternoon, the principle of which had been so roundly and soundly defeated in the Committee on Foreign Relations and the Committee on Armed Services, sitting jointly, by a vote of 19 to 1, an amendment which proposed to establish an independent agency for the administration of economic and military aid in Europe, I simply felt compelled, in view of the agreement which had been made for a limitation of time tomorrow, to express myself for the RECORD tonight.

In my judgment, the amendment proposed by my good friends, the Senator from New Jersey [Mr. SMITH], the Senator from Illinois, [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr. KEFAUVER] is so completely unsound in principle and would be so harmful to the foreign policy of our country that it must not be allowed to go to a vote tomorrow without a record being made against it.

On August 23 I spoke on the floor of the Senate against the principle of the Smith amendment, or against the Smith amendment, and I thought that the action of the Armed Services Committee and the Foreign Relations Committee

subsequently had put at rest, at least for this session of the Congress, this proposal, which I consider to be exceedingly unwise, to create an independent agency for the administration of military and economic aid in Europe, and that nothing more need be said about it.

I deeply regret that I was not present for the very few minutes this afternoon when my good friend from New Jersey [Mr. SMITH] offered his explanation of his amendment. I think there is no doubt that it is true, if I am correctly advised as to what he said, that it was necessary for very sad reasons, because of a death in his family, for him to be absent from the meeting of the committee on the day on which the vote was taken which defeated his amendment by a vote of 19 to 1. However, one of his cosponsors on this amendment, the Senator from Tennessee [Mr. KEFAUVER], was there, and he registered his vote in support of what was then called the Smith-Saltonstall amendment, and the Senator from Tennessee, in his usual exceedingly able way, presented, I am sure, very cogently, all the reasons in support of the amendment, as its sponsors saw the reasons, that my good friend from New Jersey would have presented had he been present.

The amendment having had such full consideration in the committee and its having been defeated by such an overwhelming vote as 19 to 1, the Senate tomorrow, when it comes to consider the amendment in the very limited time that will be made available to the Senate for debate tomorrow, should give every favorable consideration to the fact that the Committee on Foreign Relations and the Committee on Armed Services have already rejected the principle of the amendment offered by the Senator from New Jersey [Mr. SMITH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr. KEFAUVER].

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. I shall be very happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that there are two features to the so-called Smith amendment, first, that it provides that 10 percent of the total appropriation can be switched from one purpose to another at the judgment of the President, so that if it seems better or more economical, on the whole, to send machine tools and raw materials to Europe and to other countries and then for those countries, with their lower wage scales, to fabricate that material into tanks and guns and other military equipment, it can be done, and, therefore, one element of the so-called Smith amendment is greater flexibility in expenditures? Is not that true?

Mr. MORSE. There is no question that the Senator from Illinois has correctly outlined the nature of the amendment. I disagree with him as to the effectiveness of it, but I want to say to my good friend from Illinois that he is about the last Member of the Senate whom I would expect to combine into one amendment two clearly separable proposals, two separate proposals which would have decidedly different effects

and results, when each one could have been set forth in a separate amendment if the authors of the amendment wanted to do so. I respectfully submit that they should have done so if they did not want to link together these two things which, in my opinion, bear very little relationship one to the other.

For example, I believe the question whether we shall have an independent agency for the administration of foreign economic and military aid is quite separate and distinct from the part of the amendment the Senator from Illinois now mentions. Were they separated, I should be very much more inclined, I assure the Senator from Illinois, to put my stamp of approval upon the exercise of the kind of discretion in the President which the Senator from Illinois now proposes. Incidentally, I think that is where the discretion should be, and it should be there throughout consideration of the administration of foreign military aid. I do not believe we should establish an independent agency whose administrative job primarily, as Secretary of Commerce Sawyer pointed out in the very excellent letter which he sent to our committee, will be that of spending, rather than, as I think should be part of the job, the task also of seeing to it that unnecessary spending is not committed.

That leads me to the first major point I wish to make in this speech. It is the point I emphasized in my speech of August 23; but believe me, Mr. President, I am convinced that it is a point which cannot be emphasized too much in the Senate; that is, the long-established historical pattern in our country that under our Constitution the responsibility in the field of foreign policy is primarily that of the President of the United States. If we do not like the President of the United States, or if we do not like the Secretary of State, to whom, during the decades, under the same historic pattern, have been delegated administrative functions in the field of foreign policy, let us face the problem of personnel in keeping with the procedures which our political system makes available to us, namely, the ballot box, so far as the President is concerned, and our powers of persuasion upon the President to get him to change the personnel of the State Department when we can demonstrate that it is not carrying out, in the interests of the country, the administrative functions delegated in the field of foreign policy. Surely, Mr. President, in the year 1951 we should not try to change the whole trend that has been manifested in American judicial decisions in regard to the constitutional powers of the President of the United States in the field of foreign policy.

I respectfully submit, whether my good friends, the sponsors of this amendment, realize it or not, that is exactly one of the results of their amendment. In my opinion, that result is so ominous, so serious in its implications, that it should be overwhelmingly defeated on the floor of the Senate, as it was overwhelmingly defeated in the committee when the same principle was before the committee.

As I said in my speech on August 23—and I shall quote from it at greater length—the Curtiss-Wright case is recognized as the leading decision in the United States in the field of the power of the President in connection with foreign policy. In that case the Supreme Court said:

In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation.

Mr. President, I would recommend to the sponsors of the amendment that they take the time between now and tomorrow to read the full decision of the Supreme Court in the case of *United States v. Curtiss-Wright Export Corp.*, found in 299 United States, 304. Because it is such a leading case in this field of constitutional law, I ask unanimous consent to have the complete opinion printed at this point in my remarks, for I think there should be made available to the Members of the Senate tomorrow, as they sit in the Chamber and thumb the CONGRESSIONAL RECORD of today, a quick and ready reference to the decision of the Supreme Court in the Curtiss-Wright case.

There being no objection, the opinion of the United States Supreme Court in the Curtiss-Wright case was ordered to be printed in the RECORD, as follows:

OPINION OF THE COURT

The joint resolution is not presently valid, or alive for the purpose of sustaining prosecution for offenses heretofore committed thereunder.

The joint resolution was intended as a temporary provision, to be in force during the period between the first proclamation putting the prohibition into effect, and the later proclamation removing it. It was to be effective "until otherwise ordered by the President or by Congress." That time limit was reached when the revoking proclamation was issued. Having then expired, no further judicial proceedings could be had thereunder, unless competent authority had kept it alive for that purpose. (*Yeaton v. United States* (5 Cranch 281, 283-4); *United States v. Chambers* (291 U. S. 207); *The Rachel* (6 Cranch 329).)

Revised Statutes, section 13, by its terms, is applicable only where a statute has been "repealed." The word "repeal" means the abrogation of one statute by another statute.

Mr. Neil P. Cullom was on the brief for Barr Shipping Corp. et al., appellees.

Mr. Justice Sutherland delivered the opinion of the Court.

On January 27, 1936, an indictment was returned in the court below, the first count of which charges that appellees, beginning with the 29th day of May 1934, conspired to sell in the United States certain arms of war, namely 15 machine guns, to Bolivia, a country then engaged in armed conflict in the Chaco, in violation of the joint resolution of Congress approved May 28, 1934, and the provisions of a proclamation issued on the same day by the President of the United States pursuant to authority conferred by section 1 of the resolution. In pursuance of the conspiracy, the commission of certain overt acts was alleged, details of which need not be stated. The joint resolution (c. 365, 48 Stat. 811) follows:

"Resolved, etc., That if the President finds that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those coun-

tries, and if after consultation with the governments of other American Republics and with their cooperation, as well as that of such other governments as he may deem necessary, he makes proclamation to that effect, it shall be unlawful to sell, except under such limitations and exceptions as the President prescribes, any arms of munitions of war in any place in the United States to the countries now engaged in that armed conflict, or to any person, company, or association acting in the interest of either country, until otherwise ordered by the President or by Congress.

"SEC. 2. Whoever sells any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding \$10,000 or by imprisonment not exceeding 2 years, or both."

The President's proclamation (48 Stat. 1744), after reciting the terms of the joint resolution, declares:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, acting under and by virtue of the authority conferred in me by the said joint resolution of Congress, do hereby declare and proclaim that I have found that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and that I have consulted with the governments of other American Republics and have been assured of the cooperation of such governments as I have deemed necessary as contemplated by the said joint resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the joint resolution above set forth, hereby made applicable to Bolivia and Paraguay, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

"And I do hereby enjoin upon all officers of the United States charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution and this my proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

"And I do hereby delegate to the Secretary of State the power of prescribing exceptions and limitations to the application of the said joint resolution of May 28, 1934, as made effective by this my proclamation issued thereunder."

On November 14, 1935, this proclamation was revoked (49 Stat. 3480), in the following terms:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby declare and proclaim that I have found that the prohibition of the sale of arms and munitions of war in the United States to Bolivia or Paraguay will no longer be necessary as a contribution to the reestablishment of peace between those countries, and the above-mentioned proclamation of May 28, 1934, is hereby revoked as to the sale of arms and munitions of war to Bolivia or Paraguay from and after November 29, 1935, provided, however, that this action shall not have the effect of releasing or extinguishing any penalty, forfeiture, or liability incurred under the aforesaid proclamation of May 28, 1934, or the joint resolution of Congress approved by the President on the same date; and that the said proclamations and joint resolution shall be treated as remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such penalty, forfeiture, or liability."

Appellees severally demurred to the first count of the indictment on the grounds (1) that it did not charge facts sufficient to show the commission by appellees of any offense against any law of the United States; (2) that his count of the indictment charges a

conspiracy to violate the joint resolution and the Presidential proclamation, both of which had expired according to the terms of the joint resolution by reason of the revocation contained in the Presidential proclamation of November 14, 1935, and were not in force at the time when the indictment was found. The points urged in support of the demurrers were, first, that the joint resolution effects an invalid delegation of legislative power to the Executive; second, that the joint resolution never became effective because of the failure of the President to find essential jurisdictional facts; and third, that the second proclamation operated to put an end to the alleged liability under the joint resolution.

The court below sustained the demurrers upon the first point, but overruled them on the second and third points (14 F. Supp. 230). The Government appealed to this court under the provisions of the Criminal Appeals Act of March 2, 1907 (34 Stat. 1246, as amended, U. S. C. title 18, sec. 682). That act authorizes the United States to appeal from a district court direct to this court in criminal cases where, among other things, the decision sustaining a demurrer to the indictment or any count thereof is based upon the invalidity or construction of the statute upon which the indictment is founded.

First. It is contended that by the joint resolution, the going into effect and continued operation of the resolution was conditioned (a) upon the President's judgment as to its beneficial effect upon the reestablishment of peace between the countries engaged in armed conflict in the Chaco; (b) upon the making of a proclamation, which was left to his unfettered discretion, thus constituting an attempted substitution of the President's will for that of Congress; (c) upon the making of a proclamation putting an end to the operation of the resolution, which again was left to the President's unfettered discretion; and (d) further, that the extent of its operation in particular cases was subject to limitation and exception by the President, controlled by no standard. In each of these particulars, appellees urged that Congress abdicated its essential functions and delegated them to the Executive.

Whether, if the joint resolution had related solely to internal affairs it would be open to the challenge that it constituted an unlawful delegation of legislative power to the Executive, we find it unnecessary to determine. The whole aim of the resolution is to affect a situation entirely external to the United States, and falling within the category of foreign affairs. The determination which we are called to make, therefore, is whether the joint resolution, as applied to that situation, is vulnerable to attack under the rule that forbids a delegation of the law-making power. In other words, assuming, but not deciding, that the challenged delegation, if it were confined to internal affairs, would be invalid, may it nevertheless be sustained on the ground that its exclusive aim is to afford a remedy for a hurtful condition within foreign territory?

It will contribute to the elucidation of the question if we first consider the differences between the powers of the Federal Government in respect of foreign or external affairs and those in respect of domestic or internal affairs. That there are differences between them, and that these differences are fundamental, may not be doubted.

The two classes of powers are different, both in respect of their origin and their nature. The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs. In that field, the primary purpose of the Constitution was to carve from the general mass

of legislative powers then possessed by the States such portions as it was thought desirable to vest in the Federal Government, leaving those not included in the enumeration still in the States. (*Carter v. Carter Coal Co.* (298 U. S. 238, 294).) That this doctrine applies only to powers which the States had, is self-evident. And since the States severally never possessed international powers, such powers could not have been carved from the mass of State powers but obviously were transmitted to the United States from some other source. During the colonial period, those powers were possessed exclusively by and were entirely under the control of the Crown. By the Declaration of Independence, "the Representatives of the United States of America" declared the United—not the several—Colonies to be free and independent States, and as such to have full power to levy war, conclude peace, contract alliances, establish commerce, and to do all other acts and things which independent States may of right do.

As a result of the separation from Great Britain by the colonies acting as a unit, the powers of external sovereignty passed from the Crown not to the colonies severally, but to the colonies in their collective and corporate capacity as the United States of America. Even before the declaration, the colonies were a unit in foreign affairs, acting through a common agency—namely, the Continental Congress, composed of delegates from the Thirteen Colonies. That agency exercised the powers of war and peace, raised an army, created a navy, and finally adopted the Declaration of Independence. Rulers come and go; governments end and forms of government change; but sovereignty survives. A political society cannot endure without a supreme will somewhere. Sovereignty is never held in suspense. When, therefore, the external sovereignty of Great Britain in respect of the colonies ceased, it immediately passed to the Union. (See *Penhallow v. Doane* (3 Dall. 54, 80-81).) That fact was given practical application almost at once. The treaty of peace, made on September 23, 1783, was concluded between his Britannic Majesty and the United States of America. (8 Stat.—European treaties—80.)

The Union existed before the Constitution, which was ordained and established, among other things, to form "a more perfect Union." Prior to that event, it is clear that the Union, declared by the articles of confederation to be perpetual, was the sole possessor of external sovereignty and in the Union it remained without change save insofar as the Constitution in express terms qualified its exercise. The framers' convention was called and exerted its powers upon the irrefutable postulate that though the States were several their people in respect of foreign affairs were one. Compare the *Chinese Exclusion Case*. (130 U. S. 581, 604, 606.) In that convention, the entire absence of State power to deal with those affairs was thus forcefully stated by Rufus King:

"The States were not 'sovereigns' in the sense contended for by some. They did not possess the peculiar features of sovereignty, they could not make war, nor peace, nor alliances, nor treaties. Considering them as political beings, they were dumb, for they could not speak to any foreign sovereign whatever. They were deaf, for they could not hear any propositions from such sovereign. They had not even the organs or faculties of defense or offense, for they could not of themselves raise troops, or equip vessels, for war." (5 Elliott's Debates 212.)¹

It results that the investment of the Federal Government with the powers of external sovereignty did not depend upon the affirma-

tive grants of the Constitution. The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the Constitution, would have vested in the Federal Government as necessary concomitants of nationality. Neither the Constitution nor the laws passed in pursuance of it have any force in foreign territory unless in respect of our own citizens (see *American Banana Co. v. United Fruit Co.* (213 U. S. 347, 356)); and operations of the Nation in such territory must be governed by treaties, international understandings and compacts, and the principles of international law. As a member of the family of nations, the right and power of the United States in that field are equal to the right and power of the other members of the international family. Otherwise, the United States is not completely sovereign. The power to acquire territory by discovery and occupation (*Jones v. United States* (137 U. S. 202, 212)), the power to expel undesirable aliens (*Fong Yue Ting v. United States* (149 U. S. 698, 705 et seq.)), the power to make such international agreements as do not constitute treaties in the constitutional sense (*Altman & Co. v. United States* (224 U. S. 583, 600-601)); Crandall, Treaties, Their Making and Enforcement (2d ed., p. 102 and note 1), none of which is expressly affirmed by the Constitution, nevertheless exist as inherently inseparable from the conception of nationality. This the court recognized, and in each of the cases cited found the warrant for its conclusions not in the provisions of the Constitution, but in the law of nations.

In *Burnet v. Brooks* (288 U. S. 378, 396) we said, "As a nation with all the attributes of sovereignty, the United States is vested with all the powers of government necessary to maintain an effective control of international relations." (Cf. *Carter v. Carter Coal Co.*, supra, page 295.)

Not only, as we have shown, is the Federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited. In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it. As Marshall said in his great argument of March 7, 1800, in the House of Representatives, "The President is the sole organ of the Nation in its external relations, and its sole representative with foreign nations." (Annals, 6th Cong., vol. 613.) The Senate Committee on Foreign Relations, at a very early day in our history (February 15, 1816), reported to the Senate, among other things, as follows:

"The President is the constitutional representative of the United States with regard to foreign nations. He manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success. For his conduct he is responsible to the Constitution. The committee considers this responsibility the surest pledge for the faithful discharge of his duty. They think the interference of the Senate in the direction of foreign negotiations calculated to diminish that responsibility and thereby to impair the best security for the national safety. The nature of transactions with foreign nations, moreover, requires caution and unity of design, and their success frequently depends on secrecy and dispatch." (U. S. Senate Reports, Committee on Foreign Relations, vol. 8, p. 24.)

It is important to bear in mind that we are here dealing not alone with an author-

ity vested in the President by an exertion of legislative power, but with such an authority plus the very delicate, plenary and exclusive power of the President as the sole organ of the Federal Government in the field of international relations—a power which does not require as a basis for its exercise an act of Congress, but which, of course, like every other governmental power, must be exercised in subordination to the applicable provisions of the Constitution. It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved. Moreover, he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries, and especially is this true in time of war. He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results. Indeed, so clearly is this true that the first President refused to accede to a request to lay before the House of Representatives the instructions, correspondence and documents relating to the negotiation of the Jay treaty—a refusal the wisdom of which was recognized by the House itself and has never since been doubted. In his reply to the request, President Washington said:

"The nature of foreign negotiations requires caution, and their success must often depend on secrecy; and even when brought to a conclusion a full disclosure of all the measures, demands, or eventual concessions which may have been proposed or contemplated would be extremely impolitic; for this might have a pernicious influence on future negotiations, or produce immediate inconveniences, perhaps danger and mischief, in relation to other powers. The necessity of such caution and secrecy was one cogent reason for vesting the power of making treaties in the President, with the advice and consent of the Senate, the principle on which that body was formed confining it to a small number of Members. To admit, then, a right in the House of Representatives to demand and to have as a matter of course all the papers respecting a negotiation with a foreign power would be to establish a dangerous precedent." (1 Messages and Papers of the Presidents, p. 194.)

The marked difference between foreign affairs and domestic affairs in this respect is recognized by both Houses of Congress in the very form of their requisitions for information from the executive departments. In the case of every department except the Department of State, the resolutive directs the official to furnish the information. In the case of the State Department, dealing with foreign affairs, the President is requested to furnish the information "if not incompatible with the public interest." A statement that to furnish the information is not compatible with the public interest rarely, if ever, is questioned.

When the President is to be authorized by legislation to act in respect of a matter intended to affect a situation in foreign territory, the legislator properly bears in mind the important consideration that the form of the President's action—or, indeed, whether he shall act at all—may well depend, among other things, upon the nature of the confidential information which he has or may thereafter receive, or upon the effect which his action may have upon our foreign relations. This consideration, in connection

¹ In general confirmation of the foregoing views, see 1 Story on the Constitution, 4th ed., §§ 193-217, and especially §§ 210, 211, 213, 214, 215 (p. 153), 216.

with what we have already said on the subject, discloses the unwisdom of requiring Congress in this field of governmental power to lay down narrowly definite standards by which the President is to be governed. As this court said in *Mackenzie v. Hare* (239 U. S. 299, 311), "As a Government, the United States is invested with all the attributes of sovereignty. As it has the character of nationality it has the powers of nationality, especially those which concern its relations and intercourse with other countries. We should hesitate long before limiting or embarrassing such powers."

In the light of the foregoing observations, it is evident that this court should not be in haste to apply a general rule which will have the effect of condemning legislation like that under review as constituting an unlawful delegation of legislative power. The principles which justify such legislation find overwhelming support in the unbroken legislative practice which has prevailed almost from the inception of the national Government to the present day.

Let us examine, in chronological order, the acts of legislation which warrant this conclusion:

The act of June 4, 1794, authorized the President to lay, regulate, and revoke embargoes. He was authorized, whenever, in his opinion, the public safety shall so require to lay the embargo upon all ships and vessels in the ports of the United States, including those of foreign nations, under such regulations as the circumstances of the case may require, and to continue or revoke the same, whenever he shall think proper (c. 41, 1 Stat. 372). A prior joint resolution of May 7, 1794 (1 Stat. 401), had conferred unqualified power on the President to grant clearances, notwithstanding an existing embargo, to ships or vessels belonging to citizens of the United States bound to any port beyond the Cape of Good Hope.

The act of March 3, 1795 (c. 53, 1 Stat. 444), gave the President authority to permit the exportation of arms, cannon, and military stores, the law prohibiting such exports to the contrary notwithstanding; the only prescribed guide for his action being that such exports should be in cases connected with the security of the commercial interest of the United States, and for public purposes only.

By the act of June 13, 1798 (c. 53, sec. 5, 1 Stat. 566), it was provided that if the Government of France shall clearly disavow, and shall be found to refrain from the aggressions, depredations, and hostilities theretofore maintained against vessels and property of the citizens of the United States, in violation of the faith of treaties, and the laws of nations, and shall thereby acknowledge the just claims of the United States to be considered as in all respects neutral, "it shall be lawful for the President of the United States, being well ascertained of the premises, to remit and discontinue the prohibitions and restraints hereby enacted and declared; and he shall be, and is hereby authorized to make proclamation thereof accordingly."

By section 4 of the act of February 9, 1799 (ch. 2, 1 Stat. 615), it was made lawful for the President, "if he shall deem it expedient and consistent with the interest of the United States," by order to remit certain restraints and prohibitions imposed by the act with respect to the French Republic, and also to revoke any such order "whenever, in his opinion, the interest of the United States shall require."

Similar authority, qualified in the same way, was conferred by section 6 of the act of February 7, 1800 (ch. 10, 2 Stat. 9).

Section 5 of the act of March 3, 1805 (ch. 41, 2 Stat. 341), made it lawful for the President, whenever an armed vessel entering the harbors or waters within the jurisdiction of the United States and required to depart

therefrom should fail to do so, not only to employ the land and naval forces to compel obedience, but "if he shall think it proper, it shall be lawful for him to forbid, by proclamation, all intercourse with such vessel, and with every armed vessel of the same nation, and the officers and crew thereof; to prohibit all supplies and aid from being furnished them" and to do various other things connected therewith. Violation of the President's proclamation was penalized.

On February 28, 1806, an act was passed (ch. 9, 2 Stat. 351) to suspend commercial intercourse between the United States and certain parts of the island of St. Domingo. A penalty was prescribed for its violation. Notwithstanding the positive provisions of the act, it was by section 5 made lawful for the President to remit and discontinue the restraints and prohibitions imposed by the act at any time "if he shall deem it expedient and consistent with the interests of the United States" to do so. Likewise in respect of the Nonintercourse Act of March 1, 1809 (ch. 24, 2 Stat. 528), the President was authorized (sec. 11, p. 530), in case either of the countries affected should so revoke or modify her edicts "as that they shall cease to violate the neutral commerce of the United States," to proclaim the fact, after which the suspended trade might be renewed with the nation so doing.

Practically every volume of the United States Statutes contains one or more acts or joint resolutions of Congress authorizing action by the President in respect of subjects affecting foreign relations, which either leave the exercise of the power to his unrestricted judgment, or provide a standard far more general than that which has always been considered requisite with regard to domestic affairs. Many, though not all, of these acts are designated in the footnote.²

² Thus, the President has been broadly "authorized" to suspend embargo acts passed by Congress, "if in his judgment the public interest should require it" (act of December 19, 1806, ch. 1, sec. 3, 2 Stat. 411), or if, "in the judgment of the President," there has been such suspension of hostilities abroad as may render commerce of the United States sufficiently safe (act of April 22, 1808, ch. 52, 2 Stat. 490; see also, act of March 3, 1817, ch. 39, sec. 2, 3 Stat. 361; compare, but as to reviving an embargo act, the act of May 1, 1810, ch. 39, sec. 4, 2 Stat. 605). Likewise, Congress has passed numerous acts laying tonnage and other duties on foreign ships, in retaliation for duties enforced on United States vessels, but providing that if the President should be satisfied that the countervailing duties were repealed or abolished, then he might by proclamation suspend the duties as to vessels of the nation so acting. Thus, the President has been "authorized" to proclaim the suspension (act of January 7, 1824, ch. 4, sec. 4, 4 Stat. 3; act of May 24, 1828, ch. 111, 4 Stat. 308; act of July 24, 1897, ch. 13, 30 Stat. 214). Or it has been provided that the suspension should take effect whenever the President "shall be satisfied" that the discriminating duties have been abolished (act of March 3, 1815, ch. 77, 3 Stat. 224; act of May 31, 1830, ch. 219, sec. 2, 4 Stat. 425). Or that the President "may direct" that the tonnage duty shall cease to be levied in such circumstances (act of July 13, 1832, ch. 207, sec. 3, 4 Stat. 578; and compare act of June 26, 1884, ch. 121, sec. 14, 23 Stat. 53, 57). Other acts, for retaliation against discriminations as to United States commerce, have placed broad powers in the hands of the President, "authorizing" even the total exclusion of vessels of any foreign country so offending (act of June 19, 1886, ch. 421, sec. 17, 24 Stat. 79, 83), or the increase of duties on its goods or their total exclusion from the United States (act of June 17, 1930, ch. 497, sec. 388, 46 Stat. 590, 704), or the exclusion of its goods or the detention, in

It well may be assumed that these legislative precedents were in mind when Congress passed the joint resolutions of April 22, 1898 (30 Stat. 739; March 14, 1912, 37 Stat. 630; and January 31, 1922, 42 Stat. 361), to prohibit the export of coal or other war material. The resolution of 1898 authorized the President "in his discretion, and with such limitations and exceptions as shall seem to him expedient" to prohibit such exportations. The striking identity of language found in the second resolution mentioned above and in the one now under review will be seen upon comparison. The resolution of March 14, 1912, provides:

"That whenever the President shall find that in any American country conditions of domestic violence exist which are promoted by the use of arms or munitions of war procured from the United States, and shall make proclamation thereof, it shall be unlawful to export except under such limitations and exceptions as the President shall prescribe any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

"Sec. 2. That any shipment of material hereby declared unlawful after such a proclamation shall be punishable by fine not exceeding \$10,000, or imprisonment not exceeding 2 years, or both."

The third resolution is in substantially the same terms, but extends to any country in which the United States exercises extraterritorial jurisdiction, and provides for the President's action not only when conditions of domestic violence exist which are pro-

certain circumstances, of its vessels, or the exclusion of its vessels or nationals from privileges similar to those which it has denied to citizens of the United States (act of September 8, 1916, ch. 463, sec. 804-806, 39 Stat. 756, 799-800). As to discriminations by particular countries, it has been made lawful for the President, by proclamation, which he "may in his discretion, apply * * * to any part or all" of the subjects named, to exclude certain goods of the offending country, or its vessels (act of March 3, 1887, ch. 339, 24 Stat. 475; and compare act of July 26, 1892, ch. 248, 27 Stat. 267; compare, also, authority given the Postmaster General to reduce or enlarge rates of foreign postage, among other things, for the purpose of counteracting any adverse measures affecting our postal intercourse with foreign countries (act of March 3, 1851, ch. 20, sec. 2, 9 Stat. 587, 589)). The President has been "authorized" to suspend an act providing for the exercise of judicial functions by ministers, consuls, and other officers of the United States in the Ottoman dominions and Egypt whenever he "shall receive satisfactory information" that the governments concerned have organized tribunals likely to secure to United States citizens the same impartial justice enjoyed under the judicial functions exercised by the United States officials (act of March 23, 1874, ch. 62, 18 Stat. 23). Congress has also passed acts for the enforcement of treaties or conventions, to be effective only upon proclamation of the President. Some of them may be noted which "authorize" the President to make proclamation when he shall be "satisfied" or shall receive "satisfactory evidence" that the other nation has complied (act of August 5, 1854, ch. 269, secs. 1, 2, 10 Stat. 587; act of March 1, 1873, ch. 213, secs. 1, 2, 17 Stat. 482; act of August 15, 1876, ch. 290, 19 Stat. 200; act of December 17, 1903, ch. 1, sec. 1, 33 Stat. 3; cf. act of June 11, 1864, ch. 116, sec. 1, 13 Stat. 121; act of February 21, 1893, ch. 150, 27 Stat. 472). Where appropriate, Congress has provided that violation of the President's proclamations authorized by the foregoing acts shall be penalized. (See, e. g., act of June 19, 1886; act of March 3, 1887; act of September 8, 1916; act of June 17, 1930—all supra.)

moted, but also when such conditions may be promoted, by the use of such arms or munitions of war.

We had occasion to review these embargo and kindred acts in connection with an exhaustive discussion of the general subject of delegation of legislative power in a recent case, *Panama Refining Co. v. Ryan* (293 U. S. 388, 421-422), and in justifying such acts, pointed out that they confided to the President "an authority which was cognate to the conduct by him of the foreign relations of the Government."

The result of holding that joint resolution here under attack is void and unenforceable as constituting an unlawful delegation of legislative power would be to stamp this multitude of comparable acts and resolutions as likewise invalid; and while this Court may not, and should not, hesitate to declare acts of Congress, however many times repeated, to be unconstitutional if beyond all rational doubt it finds them to be so, an impressive array of legislation such as we have just set forth, enacted by nearly every Congress from the beginning of our national existence to the present day, must be given unusual weight in the process of reaching a correct determination of the problem. A legislative practice such as we have here, evidenced not by only occasional instances, but marked by the movement of a steady stream for a century and a half of time, goes a long way in the direction of proving the presence of unassailable ground for the constitutionality of the practice, to be found in the origin and history of the power involved, or in its nature, or in both combined.

In *The Laura* (114 U. S. 411, 416) this court answered a challenge to the constitutionality of a statute authorizing the Secretary of the Treasury to remit or mitigate fines and penalties in certain cases, by repeating the language of a very early case (*Stuart v. Laird* (1 Cranch 299, 309)) that the long practice and acquiescence under the statute was a "practical exposition . . . too strong and obstinate to be shaken or controlled. Of course, the question is at rest, and ought not now to be disturbed." In *Burrow-Giles Lithographic Co. v. Sarony* (111 U. S. 53, 57), the constitutionality of Revised Statutes, section 4952, conferring upon the author, inventor, designer, or proprietor of a photograph certain rights, was involved. Mr. Justice Miller, speaking for the court, disposed of the point by saying: "The construction placed upon the Constitution by the first act of 1790, and the act of 1802, by the men who were contemporary with its formation, many of whom were members of the convention which framed it, is of itself entitled to very great weight, and when it is remembered that the rights thus established have not been disputed during a period of nearly a century, it is almost conclusive."

In *Field v. Clark* (143 U. S. 649, 691), this court declared that " . . . the practical construction of the Constitution, as given by so many acts of Congress, and embracing almost the entire period of our national existence, should not be overruled, unless upon a conviction that such legislation was clearly incompatible with the supreme law of the land." The rule is one which has been stated and applied many times by this court, as examples, see *Ames v. Kansas* (111 U. S. 449, 469); *McCulloch v. Maryland* (4 Wheat. 316, 401); *Downes v. Bidwell* (182 U. S. 244, 286).

The uniform, long-continued, and undisputed legislative practice just disclosed rests upon an admissible view of the Constitution which, even if the practice found far less support in principle than we think it does, we should not feel at liberty at this late day to disturb.

We deem it unnecessary to consider, seriatim, the several clauses which are said to evidence the unconstitutionality of the joint resolution as involving an unlawful dele-

gation of legislative power. It is enough to summarize by saying that, both upon principle and in accordance with precedent, we conclude there is sufficient warrant for the broad discretion vested in the President to determine whether the enforcement of the statute will have a beneficial effect upon the reestablishment of peace in the affected countries; whether he shall make proclamation to bring the resolution into operation; whether and when the resolution shall cease to operate and to make proclamation accordingly; and to prescribe limitations and exceptions to which the enforcement of the resolution shall be subject.

Second. The second point raised by the demurrer was that the joint resolution never became effective because the President failed to find essential jurisdictional facts; and the third point was that the second proclamation of the President operated to put an end to the alleged liability of appellees under the joint resolution. In respect to both points, the court below overruled the demurrer, and thus far sustained the Government.

The Government contends that upon an appeal by the United States under the Criminal Appeals Act, from a decision holding an indictment bad, the jurisdiction of the court does not extend to questions decided in favor of the United States, but that such questions may only be reviewed in the usual way after conviction. We find nothing in the words of the statute or in its purposes which justifies this conclusion. The demurrer in the present case challenges the validity of the statute upon three separate and distinct grounds. If the court below had sustained the demurrer without more, an appeal by the Government necessarily would have brought here for our determination all of these grounds, since in that case the record would not have disclosed whether the court considered the statute invalid upon one particular ground or upon all of the grounds alleged. The judgment of the lower court is that the statute is invalid. Having held that this judgment cannot be sustained upon the particular ground which that court assigned, it is now open to this court to inquire whether or not the judgment can be sustained upon the rejected grounds which also challenge the validity of the statute and, therefore, constitute a proper subject of review by this court under the Criminal Appeals Act (*United States v. Hastings* (296 U. S. 188, 192)).

In *Langnes v. Green* (282 U. S. 531), where the decree of a district court had been assailed upon two grounds and the circuit court of appeals had sustained the attack upon one of such grounds only, we held that a respondent in certiorari might nevertheless urge in this court in support of the decree the ground which the intermediate appellate court had rejected. That principle is applicable here.

We proceed, then, to a consideration of the second and third grounds of the demurrers which, as we have said, the court below rejected.

1. The Executive proclamation recites, "I have found that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and that I have consulted with the governments of other American Republics and have been assured of the cooperation of such governments as I have deemed necessary as contemplated by the said joint resolution." This finding satisfies every requirement of the joint resolution. There is no suggestion that the resolution is fatally uncertain or indefinite; and a finding which follows its language, as this finding does, cannot well be challenged as insufficient.

But appellees, referring to the words which we have quoted above, contend that the

finding is insufficient because the President does not declare that the cooperation of such governments as he deemed necessary included any American Republic and, therefore, the recital contains no affirmative showing of compliance in this respect with the joint resolution. The criticism seems to us wholly wanting in substance. The President recites that he has consulted with the governments of other American Republics, and that he has been assured of the cooperation of such governments as he deemed necessary as contemplated by the joint resolution. These recitals, construed together, fairly include within their meaning American Republics.

2. The second proclamation of the President, revoking the first proclamation, it is urged, had the effect of putting an end to the joint resolution, and, in accordance with a well-settled rule, no penalty could be enforced or punishment inflicted thereafter for an offense committed during the life of the joint resolution in the absence of a provision in the resolution to that effect. There is no doubt as to the general rule or as to the absence of a saving clause in the joint resolution. But is the case presented one which makes the rule applicable?

It was not within the power of the President to repeal the joint resolution, and his second proclamation did not purport to do so. It "revoked" the first proclamation; and the question is, Did the revocation of the proclamation have the effect of abrogating the resolution or of precluding its enforcement insofar as that involved the prosecution and punishment of offenses committed during the life of the first proclamation? We are of opinion that it did not.

Prior to the first proclamation the joint resolution was an existing law, but dormant, awaiting the creation of a particular situation to render it active. No action or lack of action on the part of the President could destroy its potentiality. Congress alone could do that. The happening of the designated events—namely, the finding of certain conditions and the proclamation by the President—did not call the law into being. It created the occasion for it to function. The second proclamation did not put an end to the law or affect what had been done in violation of the law. The effect of the proclamation was simply to remove for the future a condition of affairs which admitted of its exercise.

We should have had a different case if the joint resolution had expired by its own terms upon the issue of the second proclamation. Its operative force, it is true, was limited to the period of time covered by the first proclamation. And when the second proclamation was issued, the resolution ceased to be a rule for the future. It did not cease to be the law for the antecedent period of time. The distinction is clearly pointed out by the Superior Court of Judicature of New Hampshire in *Stevens v. Dimond* (6 N. H. 330, 332, 333). There, a town bylaw provided that if certain animals should be found going at large between the 1st day of April and the last day of October, etc., the owner would incur a prescribed penalty. The trial court directed the jury that the bylaw, being in force for a year only, had expired so that the defendant could not be called upon to answer for a violation which occurred during the designated period. The State appellate court reversed, saying that when laws "expire by their own limitation, or are repealed, they cease to be the law in relation to the past, as well as the future, and can no longer be enforced in any case. No case is, however, to be found in which it was ever held before that they thus ceased to be law, unless they expired by express limitation in themselves, or were repealed. It has never been decided that they cease to be law, merely because the time they were intended

to regulate had expired. * * * A very little consideration of the subject will convince anyone that a limitation of the time to which a statute is to apply, is a very different thing from the limitation of the time a statute is to continue in force."

The first proclamation of the President was in force from the 28th day of May 1934, to the 14th day of November 1935. If the joint resolution had in no way depended upon Presidential action, but had provided explicitly that, at any time between May 28, 1934, and November 14, 1935, it should be unlawful to sell arms or munitions of war to the countries engaged in armed conflict in the Chaco, it certainly could not be successfully contended that the law would expire with the passing of the time fixed in respect of offenses committed during the period.

The judgment of the court below must be reversed and the cause remanded for further proceedings in accordance with the foregoing opinion.

Reversed.

Mr. Justice McReynolds does not agree. He is of opinion that the Court below reached the right conclusion and its judgment ought to be affirmed.

Mr. Justice Stone took no part in the consideration or decision of this case.

Mr. MORSE. Mr. President, I should like to invite attention to a book by Corwin, entitled "The President, Office and Powers." I read from page 203:

The President is the sole organ of the Nation in its external relations and its sole representative with foreign nations.

Whom was the author quoting? John Marshall. These were the words of John Marshall, spoken in 1799.

As for the junior Senator from Oregon, Mr. President, he will be glad to stand in the shadow of John Marshall any time on any constitutional law point.

I submit to my colleagues in the Senate, and particularly to my colleagues on this side of the aisle, that to my way of thinking my party should never vary from living up to the full meaning and intent and spirit of the separation-of-powers doctrine of the Constitution of the United States. In my judgment, once again in this session of Congress we see in this amendment another variance, from the separation-of-powers doctrine of the Constitution of the United States.

Oh, yes, I know there are reasons which I think explain the confusion that has developed in this session of Congress in regard to the separation-of-powers doctrine. We might just as well face the fact, and face it frankly, that in this country there has developed, to a disturbing degree, a great deal of confusion with regard to some of the practices and policies of the administration, and particularly within the State Department, in the field of foreign relations. But, Mr. President, I hold to the view that it is in times of problems, it is in times of crises, and it is in times of confusion and uncertainty that we should cling tenaciously to the basic principles of the Constitution, including the principle of the separation-of-powers doctrine, which recognizes that we are a Government of three coordinate, coequal, and independent branches of Government. I am not going to be a party to any proposal which in my judgment invades the constitutional preroga-

tive of any one of the three branches of that coordinate, coequal, and independent tripartite system of government.

I rise to oppose the amendment here tonight because I cannot reconcile it, anymore than I could on August 23, with the separation-of-powers doctrine, and what I consider to be the prerogative of the President of the United States in the field of foreign relations.

There are some other references, Mr. President, which we have considered heretofore in this session of Congress, when we had the troops-to-Europe issue before the Senate. Then again the separation of powers doctrine became involved in the debate, and once again a committee of the Senate brought forward a scholarly report which ought to be reviewed in connection with the Smith amendment, because I think many of the things set forth in that report are equally applicable to the Smith amendment.

Thus on page 1 of the report of the Committee on Foreign Relations and Armed Services of February 28, 1951, on the powers of the President to send the Armed Forces outside the United States, there brought together certain citations, which I think are applicable to the debate on the Smith amendment. Having cited the appropriate sections of the Constitution itself on the executive powers of the President, we said in that report:

In addition to these specific grants of authority the courts have recognized that the President, as that branch of the Government vested with the "Executive power" (ibid., art. II, sec. 1), has certain powers in the field of foreign affairs which are not conferred expressly by the Constitution but are derived from the fact that the United States is a sovereign nation, with rights and obligations under the law of nations. In the field of foreign affairs the courts have called the President the "sole organ of the Nation."

Citing again, the leading case of *United States v. Curtiss-Wright* (299 U. S. 304) at page 318, and citing also *Cunningham v. Neagle* (135 U. S. 1), at page 64.

Also in that report we pointed out:

While the Congress has power to declare war, to raise and support armies, to make rules for the government and regulation of the land and naval forces, and other powers important and necessary to the conduct of foreign policy, and to the defense of the United States, these powers are not to be so construed as to curb or cripple the powers of the President as Commander in Chief.

For our supporting authority we cited *Swain v. United States* (28 Court of Claims, pages 173, 221).

Thus—

In time of war, the powers of the President as Commander in Chief are full and complete.

Citing the old case of *Fleming* against Page:

The power to declare war, which is vested in the Congress by the Constitution, does not impair the authority of the President, in the absence of a declaration of war, to do all that may be needful as Commander in Chief to repel invasion, to repress insurrection, and to use the Armed Forces for the defense of the United States.

Those are the famous Prize cases. I respectfully submit that I do not see how one can look at the task which confronts the President of the United States in regard to NATO without finding that the principles laid down in the Prize cases are applicable today.

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

Mr. MORSE. I wonder if the Senator would first permit me to finish this legal analysis, and then I shall be very happy to yield. I think the Senator ought to hear me in full on that phase, and then ask his questions on the basis of that.

We state in the report:

In addition to this power to use the Armed Forces for the defense of the country and its foreign policy interests, the President has the authority and the duty to carry out treaties of the United States. Treaties, duly approved, are the law of the land and it becomes the President's duty to "take care that they be faithfully executed" as laws.

We are dealing, Mr. President, with a treaty. Let us not forget that in the whole matter of foreign military and economic aid connected with this particular bill, we are dealing still and will, I think, for some years to come, with the implementation of the North Atlantic Treaty. That is the parent of this proposed legislative action; and the obligations of the President in connection with the treaty in the field of foreign policy continue. I submit that we violate the separation-of-powers doctrine when in the field of foreign policy in connection with the implementation of the North Atlantic pact we seek to destroy that discretionary power of the President which has been exercised by all Presidents in our history.

Thus in our report, in connection with this last point, we cited *United States versus schooner Peggy*, an 1801 case, and we said further:

The President has discretion to decide what measures, within the sphere of his constitutional powers, shall be adopted to carry out the purpose of a treaty. He does not depend on implementing legislation when the purpose of the treaty can be served by something that he has the power to do.

On page 3 of that report which I cite tonight for reference, Mr. President, we said:

In approaching this field of constitutional law it should be noted that the Constitution does not clearly and explicitly define the respective powers of the President and the Congress in the field of military and foreign affairs. While the Constitution allocates certain large powers in general terms to one or the other, it does not prevent conflicts between them. Such conflicts have been common in American history and of tremendous political and historical importance to the country. Over the years certain defined patterns of conduct have grown up based upon the actions taken by the President or the Congress. These acts are not precedents in the legal sense, but in this field of constitutional law they have great value in defining the meaning of the Constitution.

By the nature of things the courts have not been called upon to decide the major conflicts between the President and the Congress in this field. Such clashes seldom present justiciable issues. Where private rights have been involved, the courts have been very careful not to infringe upon the powers

of either the President or the Congress. Where possible, they have side-stepped the issue. Where this has not been possible, they have acted almost without exception to affirm the views taken by the President as to the extent of his own authority.

I also call attention again to the oft repeated quotation from the great Marshall in *Marbury against Madison*. Again, it is a quotation which bears directly both upon this power of the President and also upon the separation-of-powers doctrine. In that great decision the great Marshall said:

By the Constitution of the United States, the President is invested with certain important political powers, in the exercise of which he is to use his own discretion, and is accountable only to his country in his political character, and to his own conscience. . . . The subjects are political: they respect the Nation, not individual rights and, being entrusted to the Executive, the decision of the Executive is conclusive. The application of this remark will be perceived, by adverting to the act of Congress for establishing the Department of Foreign Affairs. This officer—the Secretary of State—as his duties were prescribed by that act, is to conform precisely to the will of the President: he is the mere organ by whom that will is communicated. The acts of such an officer, as an officer, can never be examinable by the courts.

Every freshman student in every course in constitutional law for decades gone by has been taught the great constitutional principles laid down by Marshall in that memorable decision in *Marbury against Madison*. I submit that this constitutional doctrine laid down by Marshall is as applicable today as when he penned those historic words; and to my way of thinking they have a direct bearing upon the Smith amendment, because in my opinion, one of the effects of the Smith amendment would be to restrict and impinge upon and interfere with the exercise of a discretionary power which I believe is inherent in the President of the United States in the field of foreign policy.

Let me make perfectly clear, Mr. President, that I expect to stay so long in the Senate that undoubtedly the opportunity will be presented to me to make, in the not too distant future, the same defense of the powers of the President of the United States when a Republican occupies the White House.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. In a moment. So far as the junior Senator from Oregon is concerned, I will stand on the Constitution and fight to protect the principle of separation of powers, irrespective of which party occupies the White House.

I now yield to the Senator from Illinois.

Mr. DOUGLAS. How long in the future does the Senator from Oregon expect he will have to remain here before he finds that consummation?

Mr. MORSE. A little less than 2 years. If I can stay away from the heels of horses during that period of time, God willing, I shall be here, because I still have that long to serve, and I shall be taking the same stand in support of what I have come to call, as my Republican philosophy, a policy

of constitutional liberalism as I am taking here tonight in defense of what I believe are the clear Presidential powers of a Democrat now in the White House.

I recommend for the reading of my good friends, on the subject of the Smith amendment, the interesting book by Van Nostrand, entitled "How Foreign Policy Is Made," particularly the chapter beginning on page 102. I shall not take the time to read it at this late hour, but I ask unanimous consent that there be printed in the *Record* at this point as a part of my remarks pages 102, 103, 104, 105, and the first two lines on page 106.

There being no objection, the excerpt was ordered to be printed in the *Record*, as follows:

UNITED STATES—THE PRESIDENT AND CONGRESS
IN FOREIGN AFFAIRS

The Constitution of the United States did not expressly delegate authority for the conduct of foreign affairs to any specified agency. However, it has been inferred from the beginning and long since accepted as a fact by constitutional lawyers that the initiative for the formulation of chief foreign policies remains in the hands of the President. The Department of State, established by law in 1789, is "the legal organ of communication between the President and other countries," and therefore, the Secretary of State, the Department's administrative head, becomes the official spokesman of the President and the Government of the United States vis-à-vis foreign governments.

The Constitution provides that the President inform Congress about the state of the Union; that he receive accredited foreign representatives, nominate United States envoys to foreign countries, and take part in the two most important prerogatives of all—the treaty-making power and the war-making power.

These powers are, however, limited by Congress. "The President shall have power," says the Constitution, "by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." The Senate may also accept the President's proposals conditionally—that is, it may modify treaties without rejecting their substance. But it is up to the President finally to ratify such treaties by signing them. Only thus can they become law.

Declarations of war must be passed by Congress, usually at Presidential instigation. However, in practice the President, as Chief Executive with power to conduct foreign relations, and as Commander in Chief of the Armed Forces, can order military action before or without declaration of war by Congress. In such cases the constitutional authority of Congress to declare war amounts primarily to official and legal recognition of already existing conditions. This is of particular significance in the age of atomic energy, supersonic speed, and radio-guided missiles. Congress could, at least in theory, affect the continuation of an armed conflict by impeaching the President and by refusing to provide funds for the conduct of war.¹

Information about international problems may be requested from the President by both Houses of Congress. The increasing complexity of international relations and the

¹ The Constitution is silent about ending a state of war. By practice and decisions of the Supreme Court, it is now established that war may be ended by treaty—in which case only the Senate would be involved in ratification—or by joint resolution of Congress, repealing "authorization of hostilities." (Cf. E. S. Corwin, *The Constitution and What It Means Today*, Princeton University Press, Princeton, N. J., 1947, p. 63.)

concurrently heavier responsibilities for policy decisions have caused United States Presidents in recent times to seek close cooperation with advisory bodies of the Congress, notably the Foreign Affairs Committees of both the House and the Senate. Constitutionally, the Senate has a much stronger position than the House in the determination of foreign policy since it is regarded as an advisory body of the President in matters concerning foreign affairs.

Yet the House of Representatives can exert strong influence through holding the purse strings of the United States Treasury. It can pass, cut down, or deny requests for money appropriations. In this way, it can bring about organizational modifications in both the Department of State and the Armed Forces, entailing serious consequences and influence on the relations between the United States and the world. While it is sometimes held that the power to rule by appropriation is against the spirit of the Constitution, there seems to be no indication that the founding fathers wanted to prevent such possibility. The House of Representatives, like the Senate, may also express its views on foreign policy by passing, modifying, or rejecting proposed laws that have a bearing on foreign affairs, such as tariffs, subsidies, or support of prices, or may pass resolutions stating its views, joint or respective, about any foreign policy, existing or proposed.

To avoid the pitfalls of appropriation cuts, the President will remain in constant touch with both Houses of Congress and confer with the party leaders of both Houses when decisions of great importance are to be made.

It is through Congress and the election machinery that popular control over United States foreign policy may be exercised. Yet, appealing as the doctrine of a people's control over foreign policy may be and fine as the principle of open diplomacy is, in the conduct of foreign affairs the security and welfare of the state do not always permit these ideals to be carried out. Many a delicate issue demands careful treatment, which public discussions could not possibly give. Furthermore, large sections of the public might not understand or have the time, training, or background of information to master the nature of the issue and the context in which it is being treated—unless much time, money, and effort are spent by both the Government and the citizens on an educational campaign in order to enlighten the voters on the issues at stake. In that respect, the Office of Public Affairs of the State Department does what it can within its strictly limited budget; on the other hand, the United States Congress is most suspicious of any kind of propaganda and has often felt that Government information activities should be narrowly circumscribed by microscopic appropriations.

Yet even though it will have to remain up to the experts who have access to essential information, to analyze conditions, draw conclusions, and submit recommendations, it is nevertheless possible for the American people to exercise influence upon the conduct of foreign affairs. This position is inherent in the Constitution, which demands that the President ratify treaties with the "advice and consent" of at least two thirds of the Senators voting. Senate proceedings are, of course open, and the Senate is a directly elected representation of the people, whose will it is their duty to express.

There is, however, a way to postpone or circumvent congressional participation in Presidential treaty actions. Such actions are called "executive agreements." They have been used by many Presidents of the United States since the time of George Washington, who himself made use of them. The vast majority of these agreements were approved by the Senate retroactively, but

there were others that were either amended or turned down, or not acted upon at all, without necessarily losing their international validity. (Executive agreements not only may concern actions initiating treaties but may also deal with the termination of existing treaties.)

Among the more famous Executive agreements figure Jefferson's Louisiana Purchase, which was, of course, ratified by the Senate at a later date. Similar agreements also initiated the acquisition by the United States of the Territory of Texas, Hawaii, Samoa, and the Panama Canal Zone as well as a number of far eastern and Latin American issues.² Executive agreements were concluded during World War II between the United States and the Soviet Union.

As the significance of foreign affairs is continuing to increase to the extent where it overshadows and profoundly affects domestic issues and where Presidents of the United States might well be elected primarily on the strength of their foreign-policy platform rather than on the basis of the attractiveness of their domestic programs alone, the Congress is more anxious than ever to maintain an adequate control over the Nation's international relations. Yet, although the Constitution determines the nature of the influence that the Congress is entitled to exert upon the President and its policy agencies, the usage of executive agreements—unmentioned by the Constitution—has become firmly entrenched in the practices of United States conduct of foreign affairs. "Doubtless the President, uniting with the Congress through legislative enactment expressed in a joint resolution or otherwise, is enabled to go farther than the Executive has ever heretofore seen fit to proceed.³ Indeed, there have been important Executive agreements that were never ratified as treaties, yet established such matters as the incorporation of Texas, the participation of the United States in the Universal Postal Union or United States cooperation with the International Labor Organization.

Mr. MORSE. Mr. President, in order that I may soon yield to my good friend from Illinois, I hasten to make one further reference which I wish to place in the *RECORD* tonight.

In due course of time I may find myself retired from public life, and back teaching constitutional law. If and when that not-too-unhappy plight is visited upon me I shall have prepared here tonight at least one lecture which I can give. So, Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point, as a part of my remarks, some words from Plischke's *Conduct of American Diplomacy*, on pages 37, 38, 39, 40, 41, and 42, over to the subdivision on page 43 which begins "Congress, appropriations, and foreign relations."

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

FORMULATION OF FOREIGN POLICY

Executive formulation of foreign policy: The Constitution is mute on the important matter of responsibility for foreign-policy formulation.⁴ There consequently is no tangible limitation on the exercise of this power

by the President. While this may not have been intended by the framers of the Constitution, it is a logical arrangement because the Chief Executive generally is better advised on diplomatic matters and is in a better strategic position than the other branches of Government to establish American policy. Usually, he alone has adequate information and a grasp of changing developments which are essential in readjusting our foreign policy or procedure to meet the exigencies of the day.

A number of our classic foreign policies were established by the Executive. Among the best known are the isolation policy and the Monroe Doctrine. Both were initiated in Executive pronouncements, the former flowing from President Washington's Neutrality Proclamation of 1793 and his Farewell Address of 1796, while the Monroe Doctrine was first publicly propounded in President Monroe's message to Congress of December 2, 1823. Various subsequent executive interpretations of the Monroe Doctrine also have been proclaimed as American foreign policies from time to time. The American policies of freedom of the seas, aerial freedom, recognition, and nonrecognition likewise stem from Executive action. More recently American Presidents have announced the good-neighbor policy, the four freedoms, unconditional surrender, and the so-called Truman doctrine.

Occasionally, however, a foreign policy is more intimately associated with, or bears the name of, the Secretary of State. The ultimate determination of such policies, of course, falls within the jurisdiction of the executive. Since the President is politically responsible for the acts of his department heads, a policy established by a Secretary of State obviously must be construed as having Presidential approval. As a result, the Hay open door policy, the Hughes arms limitation policy, the Stimson nonrecognition policy, the Hull trade and tariff policy, and the Marshall plan must be considered as being acceptable to and duly authorized by the Presidents under whom their sponsors served as Secretary of State.⁵

The President may be assisted in the formation of foreign policy by other administrative units. In addition to the Department of State, he may rely upon the Armed Forces and the Department of Defense; the Treasury, Justice, Commerce, and the other major departments; and such independent administrative agencies as the Federal Trade Commission, the United States Tariff Commission, the Civil Aeronautics Administration, and the Export-Import Bank.⁶

Policy? Foreign Policy Association, *Headline Series No. 62* (1947), and *Major Problems of United States Foreign Policy, 1948-49*, a Study Guide, prepared by the International Studies Group of the Brookings Institution (1948), Appendix, pp. 219-238. The broad subject of policy formulation, comparing the practice of various countries, is discussed in Kurt London, *How Foreign Policy Is Made* (1949), especially pt. II on *The Formulation of Foreign Policy*. An excellent collection of readings in the field of our foreign relations is to be found in Lawrence H. Chamberlain and Richard C. Snyder, *American Foreign Policy* (1948).

² The same is true, of course, of foreign policies initiated by other ranking administrative officials, such as our initial postwar German occupation policy as issued by the Joint Chiefs of Staff in "JCS 1067," the basic principles of which were formulated by Secretary of the Treasury Henry Morgenthau, Jr.

³ For analysis, see Bolles, *Who Makes Our Foreign Policy?* op. cit., pp. 16-33; Blair Bolles, "Influence of Armed Forces on United States Foreign Policy," 22 *Foreign Policy Reports* (October 1, 1946); Fritz Karl Mann, "The Government Corporation as a Tool of Foreign Policy," *Public Administration Review* (1943), pp. 194 ff.

Frequently our foreign policies are initially proclaimed in Presidential messages to Congress. The latter are not only authorized but are required by the Constitution, which states that the President "shall from time to time give to the Congress information of the state of the Union."⁴ They are presented annually at the beginning of each legislative session and whenever the President deems it necessary to transmit a special message to the Congress. Today they usually are delivered by the President in person, and their presentation takes priority over all other business. Policies such as the Monroe Doctrine (December 2, 1823); Wilson's Fourteen Points (January 8, 1918); Roosevelt's Good Neighbor Policy (March 4, 1933), the Four Freedoms (January 6, 1941), Lend-Lease (also January 6, 1941), complete disarmament for Germany and Japan following World War II (January 7, 1943), and the Truman Doctrine (March 12, 1947) were first publicized in Presidential messages.⁵

Other major policies, although not originating in this fashion, nevertheless may subsequently be presented in a Presidential message if congressional legislation is essential for their implementation. This was the case, for example, in President Truman's message summoning Congress to meet in special session on November 25, 1947, to consider immediate economic aid to Europe as part of the Marshall plan.

The Constitution further empowers the President to recommend to Congress "such measures as he shall judge necessary and expedient."⁶ He does not as a rule submit specific legislative proposals to Congress but merely presents his recommendations in general terms and leaves the details to the legislature. Because of his broad executive powers in the foreign relations field, however, the President naturally is less inclined to use this recommendation power in foreign policy determination than for domestic measures.

Congress and policy formulation: The role of Congress in foreign policy formulation was restricted at the outset by virtue of the fact that the Constitution failed to accord to it the authority which the Continental Congress previously had enjoyed.⁷ From time to time, however, the Houses of Congress sought to outline external policy in a number of ways.⁸

Occasionally the Senate and the House of Representatives have mutually attempted to do so through legislative resolutions. For example, in 1864, during the Maximilian fiasco in Mexico, the House of Representatives precipitately adopted a unanimous resolution disapproving the overthrow of the Mexican Republican Government and replacing it with a monarchy forcibly established by French power and headed by an Austrian archduke. Primarily because of the exigencies of the Civil War, Secretary of State Seward, in a note to the French Gov-

⁴ Art. II, sec. 3.

⁵ Not all of these policies were first conceived in these messages, however. For the early development of the lend-lease policy, for example, see Edward R. Stettinius, Jr., *Lend Lease: Weapon for Victory* (1944), chap. 6.

⁶ Art. II, sec. 3.

⁷ For account, see Blair Bolles, *Congress and Foreign Policy*, 20 *Foreign Policy Reports* (January 15, 1945), pp. 266-275; also see the accounts of Sumner Welles, *Pressure Groups and Foreign Policy*, 181 *Atlantic Monthly* (November 1947), pp. 63-67; and W. Y. Elliott, *Congressional Control Over Foreign Policy Commitments*, in *International Commitments and National Administration* (1949), pp. 1-22.

⁸ For comments on postwar bipartisanship in foreign policy formulation, see Blair Bolles, *Bipartisanship in American Foreign Policy*, 24 *Foreign Policy Reports* (January 1, 1949).

² Cf. W. M. McClure, *International Executive Agreements*, Columbia University Press, New York, 1941, pt. 1.

³ C. C. Hyde, "Constitutional Procedures for International Agreements by the United States," *Proceedings of the American Society of International Law*, 1937, p. 45.

⁴ For a general discussion of this matter, see Blair Bolles, *Who Makes Our Foreign*

ernment disavowing this action, indicated that it was not an expression of the attitude of the President and that the action of the House did not accord with its constitutional prerogatives.

During the heated debates of Congress in the 1880's concerning arbitrary prohibitions on Chinese immigration to this country, which resulted in a number of legislative acts suspending all Chinese immigration, the Senate passed a resolution in 1888 requesting President Cleveland to open negotiations with China for a treaty to control this matter. Such an immigration treaty finally was ratified in 1894.

A Japanese company was reported in 1912 to be negotiating with Mexico for a coaling station in Magdalena Bay, in Lower California. The Senate sought by resolution introduced by Henry Cabot Lodge to establish a Monroe Doctrine corollary to the effect that no Western Hemisphere territory could be possessed by a foreign state for naval or military purposes, even if this involved merely quasi-public corporations. This Lodge resolution appears to have become a part of the Monroe Doctrine.⁹

One of the issues in the heated controversy with Mexico during the 1920's over American oil rights was the validity of the 1925 Mexican petroleum law, which changed the legal basis of oil interests from a property right to a governmental concession. The Senate approved a resolution in 1927 favoring our arbitration of the issue with Mexico, but President Coolidge disregarded it. At best, such resolutions are simply statements of legislative policy. That they are not ipso facto binding upon the executive department is illustrated by the fact that the House proposal of 1864 was officially repudiated by Secretary Seward, and also by President Coolidge's refusal to be bound by the Senate action of 1927.

When, however, foreign policy is initiated or confirmed by statute, bearing the President's signature, it is official and binding. In the established legislative process, both Congress and the President are concerned, and the approval of both is necessary irrespective of the origin of the policy. This is especially true when appropriations of money are required. In recent decades, specific policy programs have been initiated by such legislation with respect to the Hull trade agreements program, the Neutrality Acts in the 1930's, lend-lease, the Truman Doctrine, and the Marshall plan.

If foreign policy is provided for by treaty, on the other hand, it is initiated by the Executive subject to Senate approval. The following are examples of policies occasioned by this procedure: The Washington Conference Four Power Pact to maintain the status quo in the Pacific and the Nine Power Pact for the preservation of the integrity of China (1921-22), the Kellogg-Briand Pact renouncing war as an instrument of national policy (1928), and the Inter-American Treaty for Reciprocal Assistance¹⁰ multilateralizing the Monroe Doctrine among the Pan-American States (1947).

At times the President also seeks to initiate policy by Executive agreement, especially when the Senate neglects to ratify a proposed treaty, or if such an agreement is deemed to be necessary for military reasons. In 1905 the Senate failed to approve the treaty submitted by President Theodore Roosevelt providing for an American financial protectorate for the Dominican Republic in order to avert European intervention in the collection of their debts. The President thereupon instituted the protectorate by Executive *modus vivendi*, which continued in existence some 28 months, when

the Senate finally approved a new treaty. It is interesting to note that in the following year Senator Henry M. Teller, of Colorado, declared that he denied the unilateral right of the President to make any treaty, protocol, or pact of that character which is binding upon the United States. Such power, he declared, is clearly and unequivocally given to Congress if it rests anywhere in the American constitutional system.

During the crucial war years, President Franklin D. Roosevelt negotiated a number of military agreements with our anti-Axis allies at Washington (United Nations declaration), Casablanca, Quebec, Cairo, Tehran, and Yalta. Upon his succession to the Presidency, Mr. Truman concluded this series at Potsdam in mid-1945. As Commander in Chief, the President obviously is constitutionally empowered to formulate military policy by this means, but his commitments on posthostilities territorial questions and political issues would seem to require normal Senate approval.¹¹

Finally, Congress occasionally attempts to shape foreign policy through diplomatic instructions attached to appropriations measures. This occurs especially in connection with Presidential requests for appropriations legislation authorizing American representation at international conferences. In 1924, when Congress provided funds for an American delegation to the Geneva International Opium Conference, it laid down conditions which proved to be unacceptable to other states and obliged the American representatives to withdraw. This situation was exceptional, however, because the chairman of the House Committee on Foreign Affairs and author of the legislative conditions, also headed our delegation and was determined to carry out the limitations prescribed in these instructions. The conditions were ignored by another American deputation at the subsequent 1931 opium conference.

As a result, it has been concluded that such congressional instructions need not be binding upon the Executive and his foreign representatives. As a matter of fact, habitual congressional dictation obviously would hamstring the President in effectively carrying out his responsibility in this regard. Compromise with other states would be impossible and either they would have to accept the American legislative conditions, or the United States delegation would return empty-handed. Furthermore, our conference policies would be determined by the Legislature largely on the basis of internal political issues. Diplomacy, in order to be successful, requires enough flexibility to permit adjustment to the tenor of conference bargaining.¹²

Closely related to this matter is the attempt of Congress to establish general controls over Executive authority to participate in international conferences. In 1913, in a rider to a general deficiency appropriations bill, the President was forbidden to take part in such gatherings without specific prior congressional authorization. But it generally is held that Congress exceeded its authority in this law because it circumscribed the power of the President to negotiate international agreements—the usual objective of the conferences.¹³ Executive practice has varied under the law, but it is clear that if the President can provide American representation without special appropriations legislation, there is little that Congress can do to enforce its 1913 statutory requirement, except through Senate rejection of

resulting international treaties. When Congress is approached for appropriations, on the other hand, the very granting of the funds would appear to constitute such specific legislative authorization.

Mr. MORSE. Mr. President, I wish to summarize my legal argument, and then I shall yield to my friend from Illinois [Mr. DOUGLAS]. Briefly, it is this:

I feel that we are dealing here still with an implementation of the North Atlantic Treaty. I feel that we are dealing with the administration of foreign policy which I believe falls within the prerogative of the President of the United States. I feel that we violate the separation-of-power principle when we seek to destroy his discretion in that field.

I believe that the Smith amendment, which seeks to create an independent agency, as a matter of constitutional principle, is wrong. After I yield to the Senator from Illinois on my remarks thus far made, I shall then proceed to set forth my reasons why, as a matter of administration, irrespective of the constitutional question, I think the Smith amendment, instead of accomplishing the results claimed for it by its sponsors, would be productive of wasteful spending, would be causative of jurisdictional strife within the field of foreign policy, would set up competing voices in the field of foreign policy all over Europe, would undermine our embassies, and, in my judgment, would produce one awful mess in the administration of American foreign policy in Europe. I say to my good friend from Illinois and his cosponsors of this amendment that if what they are trying to do to reach some inefficient personnel in the field of foreign policy, I think there are much better ways of doing that than by the amendment they are pressing, which, I think, would be productive of much harm.

Mr. President, I could not enjoy yielding to anyone more than to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, as I understand the very able and eminent Senator from Oregon, he argues that if we set up a separate administration for foreign aid, it will infringe upon the constitutional powers of the President to direct the foreign affairs of the United States. Am I correct?

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. Would not that same objection have applied to the creation of the Economic Cooperation Administration?

Mr. MORSE. No, because we did not interfere with the discretionary power of the President.

Mr. DOUGLAS. In what way does the Smith amendment interfere with the power of the President in a fashion different from the ECA?

Mr. MORSE. The Smith amendment makes the Administrator the sole and final judge of who shall get what, and in what amounts, save and except the right of the Secretary of Defense and the Secretary of State, if they do not like what the new Cabinet officer does, to appeal to the President. That is certainly not going to make for harmonious family relations in the field of foreign policy. Cannot the Senator realize that?

⁹ See Samuel F. Bemis, *A Diplomatic History of the United States* (rev. ed., 1942), p. 535.

¹⁰ Popularly referred to as the Inter-American Defense Pact.

¹¹ For further discussion of this subject, see chap. 11.

¹² See Benjamin H. Williams, *American Diplomacy: Policies and Practice* (1936), pp. 397-398.

¹³ See *ibid.*, pp. 398-399; and John Mabry Mathews, *The Conduct of American Foreign Relations* (1928), pp. 344-347.

Mr. DOUGLAS. May I ask who would appoint the Administrator of this new agency?

Mr. MORSE. The President of the United States, the appointee to be confirmed by the Senate. The Senator from Illinois does not mean to imply, does he, that merely because the President appoints someone and he is confirmed by the Senate he will live in lovely and peaceful relationship which his colleagues so far as foreign policy is concerned?

Mr. DOUGLAS. That is something else.

Mr. MORSE. Certainly; and we shall look into it tonight.

Mr. DOUGLAS. Is it not true that since the President has the power of appointment, he can ask for the resignation of the appointee? Is it not also correct to say that the relationship would be precisely the relationship which exists between the President and any Cabinet member?

Mr. MORSE. I will say to my good friend from Illinois that if he is so taken by the fact that the President of the United States will have the power of appointment, why does he not ask the President whether he wants the kind of proposed administration the Senator from Illinois would provide? I believe the Senator from Illinois knows what the answer would be. I believe the Senator from Illinois knows that the President of the United States and those presently charged with the foreign policy of the United States do not want the monstrosity which the Senator from Illinois and his colleagues are proposing, because they know the great harm it would do through jurisdictional disputes, new procedures, and costly administration growing out of the conflicting jurisdictions which would result from it.

I do not mean to apply this comment to my good friend from Illinois, but I do want to apply it to some of my friends on this side of the aisle. I thought we were standing for a reduction in the number of bureaus, agencies, and new organizations. I thought that is what we were going to make a drive for. Now we find them coming along with this kind of suggestion. True, they have some Democrats who are with them, but in this case they are almost outdoing the Democrats in the effort to set up a new agency.

I am against the proposal for the reasons I have set forth. I do not agree with the suggestion made by the Senator from Illinois, that merely because the President would appoint the man and the Senate would confirm him it would remove in any degree what I think are the great weaknesses of the plan.

Mr. DOUGLAS. Is not the Senator from Oregon now shifting from the constitutional argument to the argument that it is inexpedient and impracticable.

Mr. MORSE. I do not believe the Senator from Illinois heard me. When I finished my constitutional argument I told the Senator from Illinois that after I had yielded to him I would enlarge upon my objections to his proposal from the administrative standpoint. I then enumerated the points on which I would speak tonight.

Mr. DOUGLAS. Is it not true that when the so-called Marshall plan was first proposed the administration wished to have the conduct of the plan confined to the Department of State, but that Congress decided that it wanted to set up a separate agency? It created a separate agency over the opposition of the State Department and over the opposition of the administration. Prophecies were made at that time that it would result in duplicate administration, that there would be conflicts of interest in personalities and that ultimately it would be administratively impossible.

Is it not a fact that ECA brought in fresh, vigorous men, unhampered by the bureaucratic habits of the Department of State, who on the whole have administered economic cooperation with great ability and great integrity, and that it has been a success?

Why could not the personnel of ECA be largely transferred to this new agency, along with some men from the defense establishment? I believe that is what both the House committee and Senator SMITH thought would happen. In that way we would have a continuation of what has been going on with a great deal of success for the past 3 years except perhaps with less interagency dispute.

I do not believe there has been any constitutional crisis in the country since ECA was established. Why are we suddenly confronted with a new situation, according to the Senator from Oregon, when what we are really doing is merely extending the principle which we have already approved? Is it not true so far as that point is concerned, that by tradition the State Department is probably not the best agency to administer economic help, but that certainly point 4 should be amalgamated with economic aid; and is it not also true that economic aid and military aid should be integrated?

Mr. MORSE. There are many things I could say in reply to my good friend the Senator from Illinois. I will say just three things with regard to the comments he has made. First I should like to say, in regard to the point 4 program, if I understand the amendment—and I have tried to get a copy of it but have received only a digest—and if I am to assume that it follows the same pattern which the Senator from New Jersey [Mr. SMITH] proposed in committee, it makes an exception to the point 4 program. In that way the point 4 program is not brought into the amendment which has been proposed. If the final draft of the amendment differs in that respect, it certainly differs from the amendment which was brought before the committee.

Mr. DOUGLAS. It is my understanding that point 4 is brought into the amendment.

Mr. MORSE. It may be. The difficulty is that I do not have a copy of the amendment before me. I suggest that the Senator from Illinois check the amendment, because I am inclined to think that it is the same amendment which was before the committee, in which point 4 was excepted. However, be that as it may, I want to say in reply to the first point the Senator from Illinois makes that he paints a very beau-

tiful picture of the administration of ECA. It is one of an almost calm sea. As a matter of fact, it has been a very turbulent sea. Plenty of jurisdictional problems have been encountered in connection with ECA. However, some very magnificent work was done by the head of ECA in bringing about a liaison organization between ECA and the Department of State, whereby, in effect, a much more cooperative relationship in administering ECA was established than was ever contemplated when ECA was passed by Congress. That was done only because the leaders of the State Department and ECA recognized the great danger which might develop under ECA; therefore, they did work out that kind of liaison arrangement.

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

Mr. MORSE. The Senator from Illinois can give no guaranty to this body that such is bound to happen under the new organization which has been proposed. What I am pointing out to the Senator from Illinois is that he is making a proposal which I believe to be pregnant with the possibility of jurisdictional trouble. I believe it to be most likely that such would occur.

The second thing I want to point out is that we can adopt the proposal of the Senator from Illinois [Mr. DOUGLAS] and the Senator from New Jersey [Mr. SMITH], and yet not create necessarily a constitutional crisis. However, by the proposal of the Senator from Illinois, we are again nibbling, in my judgment, at the separation of powers doctrine. It is this constant nibbling away and this frequent attempt on the part of the Congress of the United States to encroach upon what I believe to be the constitutional powers of the President of the United States in the field of foreign affairs which ought to be stopped. That is why I object to the Senator's proposal. I object both on constitutional grounds and on the administrative grounds which I have so far developed.

Mr. DOUGLAS. Would the Senator from Oregon say that it would have been better if we had confined the administration of economic aid in European and other countries to the State Department?

Mr. MORSE. Yes; so far as sound constitutional theory is concerned, I do not believe that we should have set up a separate administration for ECA.

Mr. DOUGLAS. Does the Senator from Oregon believe that the diplomats in the Department of State would have been as competent in directing economic aid in the countries of Europe as the businessmen and the farm and labor representatives who have been brought into the ECA?

Mr. MORSE. One of the great fallacies in the reasoning of the Senator from Illinois in regard to this whole program is his assumption that merely because a program is left to the Department of State to administer the Department of State has no authority to make use of specially skilled individuals to help administer the program in those fields in which special skills are needed. The fact that an expert industrialist is needed to administer an economic pro-

gram in France, for example, does not mean that the Department of State cannot hire him. It is not necessary to set up a separate agency to hire him.

Mr. DOUGLAS. I do not like to resemble Mr. Dick in David Copperfield, who was always speaking about King Charles' head. Therefore in discussing foreign affairs I do not always want to bring the Foreign Service officers of the State Department into the discussion. Nevertheless, is it not true that the Department of State—particularly in its overseas contingents—is dominated by the Foreign Service officers, whose training, however admirable in other respects, certainly does not contain any element of training in economics, business, or industry, whose background is nonindustrial, and who are not prepared to deal with the economic realities, but who are more or less professional diplomats, without much concrete knowledge of how men make a living or how goods are produced?

Mr. MORSE. Mr. President, I say very good naturedly and most respectfully to my friend, the Senator from Illinois, that I have not shared the views I have heard him express on the floor of the Senate about the "top hat and striped pants" members of our Foreign Service. I respectfully suggest to him that they are much more able men than the Senator from Illinois has yet detected.

Since he is such a good judge of men, I cannot explain the position of the Senator from Illinois except by a lack of observation on his part, because I do not share his view of what would happen to the foreign policy of the United States if we entrusted to the State Department the administration of economic aid, for example, in Europe. I believe that those men are of sufficient mental caliber to have sense enough to make use of skilled experts to help them in the administration when they need to do so.

I think it is very unsound to lay down colorful, blanket criticisms of the great Foreign Service of our country. It seems to me that is resulting in undermining the confidence of the American people in the Foreign Service personnel of our country. I respectfully say to my good friend, the Senator from Illinois, that I do not believe that the facts bear him out in his accusation; and I do not think he, any more than anyone else, should resort to trial by accusation. He should give us a great deal more evidence—much more than he has given us in any of his speeches thus far—that our Foreign Service is composed of the incompetents that he seeks to imply by what I respectfully say have been very unfair criticisms on his part of the Foreign Service of the United States.

Mr. DOUGLAS. Mr. President, I object to that comment by the Senator from Oregon.

Mr. MORSE. Oh, Mr. President, since when has my friend, the Senator from Illinois, become so thin-skinned?

Mr. DOUGLAS. I am not thin-skinned, but I object to having the Senator from Oregon put into my mouth words I did not utter, or put into my mind sentiments which I do not possess.

I have said that in the past Foreign Service used to be somewhat restricted to a social class whose training has been primarily in the pursuits of leisure rather than in the pursuits of labor; and I think that statement is borne out statistically. I once made an analysis of the upper ranks of the Foreign Service and I found their educational and social background to be what I have stated.

I think it will be found that of the approximately 1,300 members of the Foreign Service, 423, or, roughly, one-third, are graduates of Harvard, Yale, or Princeton. It happens that I once studied for a year at Harvard, so perhaps I should not be too caustic in my criticism of graduates of those universities. They are very fine universities, and their graduates are very fine persons; but I do not think they possess one-third of the intelligence of the United States so as to warrant staffing one-third of the Foreign Service with them.

I believe it would have been much better for the State Department to have recruited its personnel more generously from farmers, mechanics, and plain people who would have more accurately represented the people of the United States abroad, instead of restricting the Foreign Service personnel to a very narrow social class, however excellent those men may be as individuals.

I am not attacking them as individuals, and I hope the Senator from Oregon will not imply that I am.

Mr. MORSE. I am very sorry, I say to my good friend, the Senator from Illinois, that my interpretation of his remarks is not acceptable to him. However, I simply must take his remarks for what they are, and the impression I have stated is the impression he left with me as the result of his participation in the debate last week, as well as on other occasions. I simply do not join with him in his criticism of or his evaluation of the Foreign Service personnel of our country.

Mr. DOUGLAS. Mr. President, I simply say that by background those men are not as broadly representative of the United States as they should be, in my judgment, for the most effective conduct of our diplomatic affairs, and certainly they are not well qualified to conduct a program of \$7,500,000,000 for economic and military aid. For that purpose we need soldiers, businessmen, labor leaders, and the like—good, earthy people.

That is why I think the continuation of ECA under a new name, retaining many of the businessmen and labor and farm representatives who already have been brought in, and bringing in others, would be much better than confining the administration of this tremendous program to men who by training, background, and thought are somewhat removed from the economic realities of life.

They may be trained in diplomacy. Undoubtedly they are trained in protocol. Undoubtedly they know how to hold a teacup and how to wear the proper clothes on the proper occasion; they grace garden parties, and are able to

carry out thin-spun negotiations. But they do not know the business end of a plow; they do not know the processes of mining; they do not know how steel is smelted; they do not know how to operate a railroad or how to build a dam. They do not know what a machine gun looks like or what a piece of artillery or a tank or any other of the implements of modern warfare which we will be sending over in the billions of dollars worth look like.

I ask the Senator please not to say that I am attacking the State Department when I question the competence of those men in these matters. I do not want to reflect on their general competence, since I am sure that as individuals they are very able. I am referring to their competence in representing the people of the United States in the handling of large aid programs.

Sometimes when someone says that the Government departments are spending too much money, it is immediately contended that it is an attack upon the character of those who compose those departments. In the past few days I have received some very bitter letters from Foreign Service officers and from the wives of Foreign Service officers, who say that I am attacking the character of those men. I am not attacking their character; I am attacking their competence in representing and reflecting accurately the broad cross section of the American people in administering large programs of aid extended by the people of this country to the people of other countries, to help better their lot.

Mr. MORSE. Mr. President, the comment just made by the Senator from Illinois reminds me of a story of a man who went into a barroom and walked up to another man and hit him in the jaw, and then said, "Don't you tell anybody that I hit you, because I didn't." [Laughter.]

The Senator from Illinois has just finished his attack, so far as the Foreign Service personnel of our country is concerned, and then he says, "Do not say that I am attacking the Foreign Service." Let the record speak for itself as to what the Senator from Illinois did.

I simply say that the attack he made just now on our Foreign Service saves me a little time, the time I would be required to take to examine the record of the remarks he made last week, for what he has just said proves my observation that he has sought to give the impression that we have a Foreign Service personnel who are incompetent.

I deny the accusation. I think we have a Foreign Service personnel, by and large, of outstanding competency, of which the people of the United States have a right to be proud.

I think that in the observations the Senator from Illinois has just made he also fails to take into account that by leaving with the President of the United States full discretionary power to administer the military and economic aid, it is to be taken for granted that mere common sense would cause the President and his subordinates to bring into the work of administering the program men with special skills in the instances in which men of special skills are needed.

The President does not need to have the Senator from Illinois and his colleagues write out for him a ticket as to just the kind of personnel he must use and just the kind of qualifications they must have, and how many of them must be taken from "X" occupation and how many of them must be taken from "Y" occupation.

I say to the Senator from Illinois that any President of the United States is perfectly able to do that for himself. He does not need the gratuitous help of some of the Members of the Senate who endorsed the Smith amendments to do that job for him.

That is where the Senator from Illinois crosses the line of legislative function into the field of executive function, and that is where he becomes a trespasser on property which I submit he has no jurisdiction to tread upon. He ought to get back to that section of the Constitution relative to the legislative branch of the Government, and not seek to set himself up as one who is also going to tell the President of the United States how he ought to perform the administrative functions which are involved in the foreign policy, and which, under the Constitution, are for the President to direct, not the well-intentioned Senator from Illinois.

Now, will the Senator permit me to proceed with the rest of my speech, or does he desire to interrupt me? I should be very glad to have him interrupt me. I wanted to ask the Senator this question: Did I misunderstand him correctly when I thought I heard him say that ECA was set up as a separate agency over the protest of the State Department?

Mr. DOUGLAS. I was not then in the Senate, but is not that true?

Mr. MORSE. It is my understanding that just the opposite is true, that Secretary of State Marshall insisted upon the establishment of a separate agency outside the State Department, and that there was never any protest from the State Department.

Mr. DOUGLAS. This is a matter of fact, one that should be ascertainable.

Mr. MORSE. I am stating it as a matter of fact, and the Senator from Illinois and I will check it later to see whether I am correct; but I think the Senator will find that the Secretary of State was a willing and a cooperative party to the seduction.

Mr. DOUGLAS. I think perhaps after the Department of State found that they could not get the program through the Congress, if they were to administer it, then perhaps they accepted reluctantly an outside agency, rather than lose the program. But I cannot believe that they wanted to have it administered by an outside agency. That would be contrary not only to all human nature but to the past record of the Department of State.

Mr. MORSE. Does the Senator from Illinois know that to be a fact, or is the Senator from Illinois expressing a plausible theory which might sustain his own contention? Does he know that to be a fact?

Mr. DOUGLAS. I was busy running for office in 1948, and I did not read the

CONGRESSIONAL RECORD every day; but certainly that was my impression.

Mr. MORSE. Suppose the Senator from Illinois check into that.

Mr. DOUGLAS. I shall be delighted to do so.

Mr. MORSE. Let him correct me tomorrow or the next day.

Mr. DOUGLAS. I shall be delighted to do so.

Mr. MORSE. That is, if my observation is erroneous. I do not think the Senator will find it erroneous, but I believe he will find that the State Department did not protest. I may add that, so far as sound constitutional theory is concerned, I think they should have protested.

Oh, I know that many times it would be convenient and expeditious for us to vary from our sound constitutional system, but I do not think it is ever justified. I think it is necessary to mark out a course in the case of governmental policy, of never varying from the basic constitutional concepts. I am not going to vary from them, no matter how convenient it may be. I would not even vary from them in this instance; I may say to my good friend from Illinois, if he could show me that by his proposal he could save money. But before I conclude, I am going to try to show the Senator from Illinois that by his proposal money would be wasted. Yet even if he could show me that his amendment would save money, I still would not vary from what I think is the constitutional prerogative of the Presidency of the United States—I am not talking about the man—and I would not vary from it, if the Senator could show me that the amendment might even bring about greater efficiency, because I do not think either economy or efficiency or politics justifies trespassing upon what I consider to be the basic constitutional principle of the separation of powers.

Mr. DOUGLAS. Then I take it the Senator from Oregon believes the sole function of Congress is to appropriate money, and that the President and the Department of State are to have complete and exclusive control over matters of policy.

Mr. MORSE. No; I think the Senator is a better logician than that. I think the Senator simply jumped to that absurd extreme in order to bolster what I think is the fallacious premise in which he started. No; that is not it. I am simply saying, one can take the Constitution and apply it to specific issues, without ever having very much difficulty in knowing whether he is applying it properly. I do not have much trouble with this problem. My theory is that the authors of the amendment have not really stopped to give much thought to whether it encroaches upon the separation-of-powers doctrine; and that is why I sought tonight to give the Senator from Illinois the benefit of these judicial decisions to which I referred and which I think will put him in my corner when he gets through with the study of them, and will cause the Senator to think a good deal differently about the amendment in which he has joined. Anything more?

Mr. DOUGLAS. No.

Mr. MORSE. Mr. President, I now move to the second main part of my speech. The purpose of this speech is to provide a brief but somewhat comprehensive background to the pending foreign assistance legislative proposal. To the extent that it does this, it may be of some value, since little consideration seems to have been given this year to the pervading policy problems to which such background is especially pertinent.

Before I go into that, Mr. President, I want to say that one of the things which have disturbed me very much, as I pointed out on August 23, in the whole matter of foreign military and economic aid, is the failure of greater recognition on the floor of the Senate of the fact that it is impossible to separate economic and military aid from the total defense of the United States. I consider it a great mistake to be talking in terms of military aid as though it were something separate and distinct from economic aid, if what we are talking about is the over-all problem of defense. In fact, I am inclined to think that granting economic aid to our allies in Europe is much more important now than granting specific items in terms of equipment of war. In my view, the building up of the productive power of England, of France, and of Holland and the other Lowland Countries, and of Italy, and our other allies, is the way to build up America's defense in Europe, rather than by supplying them with trucks and tanks and antiaircraft guns and machine guns and all the rest, important as they are—and I am for supplying them. Senators know we have them, and I have a hunch or a feeling that it would not be very good policy to suggest a very drastic cut in the items of war to be sent to Europe. It might be interpreted as undermining General Eisenhower.

But, Mr. President, there are those who have the knives or the axes ready to hack away at the very roots of the economic strength of Europe, the development of which, in the long run, I think, will represent the greatest security to America, when compared with the immediate supplying of manufactured equipment made in the United States and shipped to Europe.

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

Mr. MORSE. I yield.

Mr. DOUGLAS. Is the Senator from Oregon aware of the fact that he has just made a very eloquent argument for the Smith amendment? The Smith amendment permits the transfer, for economic purposes, of 10 percent of the amount tentatively allocated for military purposes, and therefore permits a much greater degree of flexibility, for which the Senator from Oregon has been contending. I now welcome the Senator from Oregon as a supporter of the Smith amendment; and if he will study it in greater detail, I am sure he will vote for it on the morrow.

Mr. MORSE. I never knew before that my good friend from Illinois was also a juggler or a sleight-of-hand performer. I never thought of him in that capacity at all. What makes my friend from Illinois feel that it is necessary to

infringe on the discretionary power of the President to make it possible to transfer funds or items?

All that the Senator from Illinois is saying is that he feels that the Congress of the United States ought to direct the President to do such and such if he finds such and such to be true. That is where I take the Senator right back to the fact that he is, in my judgment, interfering with the separation-of-powers doctrine. The argument I made is not such argument as that which the Senator from Illinois attributes to me at all. What I am saying is that we should on the floor of the Senate not be cutting into the heart of economic aid. That is being done—and I do not refer to the Senator from Illinois when I say this—and it is receiving a good deal of support in this country, because some persons think the program is politically vulnerable on that score, but it would not be so politically vulnerable if it were proposed to cut drastically into military aid.

What I am saying is that I do not think we can draw the line of distinction between military aid and economic aid that some of my colleagues are prone to draw. I think the building up of factories in France, England, and the other western countries is what we should be doing now if we are going to think of the long-term security of America in Europe. The proposal is to pull the rug out from under that proposition, because there has been very much confusion, and very unfortunate tactics have been used in recent months. There is so much confusion among the people of the country that politicians who have their eyes on elections rather than on the security of the country think they can get by with it. They cannot get by with it by my vote or by my silence either.

I say it is not only a mistake to draw this artificial line of distinction between economic and military aid, but I think we should look to the administration of these policies to the end of seeing that we do not repeat the same great mistake we made in China in 1945 and 1946, when we did not follow a course of action that caused us to see to it that the Chinese people got a larger share of the benefits of the economic aid which we poured by the millions of dollars into China and which we now know went, in large amount, to the benefit of a few persons in China, but the masses obtained very little benefit.

The Communists, with their vicious propaganda, capitalized upon our mistake in this field. That is not the only reason, but it is one of the reasons, why the Communists were able to take over large segments of China as the Nationalist Government collapsed on its retreat to the south.

Take a look at France. We should not blind ourselves to the fact that in round numbers the Communists still poll, according to the latest figures I have seen, pretty close to 25 percent of the vote in France. We cannot laugh that off, and we do not dare, as Americans, to ignore it. That is a tremendous Communist bloc in France.

What is the Communist propaganda line in France? To what extent have

the French workers' wages been raised in the factories of France whose owners have been the recipients of ECA aid? To what extent have the French workers benefited from any of these appropriations? To what extent have the cartels of France, rather than the people of France, benefited from this foreign-aid program?

We know what they do. They take a tiny bit of a half-truth and balloon it up into a big lie. Unfortunately, I am advised by reliable persons recently returned from France that they are making headway with the big-lie technique in France because a better job needs to be done in seeing to it that the benefits of the program sift down and percolate through and permeate the population of France.

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

Mr. MORSE. I yield.

Mr. DOUGLAS. Does the Senator from Oregon maintain that there would have been greater solicitude for the welfare of the people of France if the administration of this program had been in the hands of diplomats of the State Department?

Mr. MORSE. I did not make any such argument as that. The trouble with my good friend from Illinois is that when one makes an argument on the floor of the Senate by way of trying to point out some of the things which must be done better than they have been done in the past, the Senator from Illinois wants to take that argument out of its context and jump to the conclusion that the arguer is trying to point out that it would have been different if it had been done by someone else. I did not imply that in my argument.

Mr. DOUGLAS. I thought the Senator was implying that it would have been much better to have ECA administered by the State Department.

Mr. MORSE. It is only because of the lateness of the hour and the fact that the Senator from Illinois must be getting very tired that he would make that slip.

Mr. DOUGLAS. Then there is no implication on the part of the Senator from Oregon that it would have been better if the administration had been under the State Department?

Mr. MORSE. Not a particle. That does not change the fact of whether it would be better or worse—

Mr. DOUGLAS. When the Senator from Oregon is asked a practical question, he retreats to the Constitution, and when we talk about the Constitution, he retreats to practical argument.

Mr. MORSE. The Constitution of the United States is the most practical document the Senator from Illinois will ever read. It is so practical that I recommend it to the Senator from Illinois, and I recommend that he follow it literally and that he also help us to bring into application the great decisions of the United States Supreme Court which have interpreted the Constitution and made an irrevocable body of American laws, particularly the decisions which I cited in connection with that very practical document. I recommend it to the Senator from Illinois.

Mr. DOUGLAS. I think the Senator from Illinois is somewhat acquainted with the document to which the Senator refers.

Mr. MORSE. I am glad to know that. I did not think so when I read the Smith amendment and saw the name of the Senator from Illinois on it.

Mr. President, I think we should recognize that in this hour of our country's history we are in the most dangerous international situation in which we have probably ever been. I do not like to be a pessimist, but there is little in the field of international relations tonight that stirs up very much optimism. The Korean truce has bogged down. There is every indication of an oncoming obstructive tactic on the part of Russia in San Francisco.

We have a fight on the floor of the Senate for a cut in the foreign economic aid, but I say, Mr. President, we had better resolve the gamble on the other side. I think our freedom is so precious that we, in the Congress of the United States, ought to be willing to tell our constituents that we think "safety first" dictates that if we are going to err we had better err in the direction of overspending for defense for the present rather than underspending.

Mr. President, with the Russian propaganda line in Europe being what it is, with the fact that our military experts tell us that we are not in control of the air in the world today, that we have not developed the air defenses of the United States to the point where if we should get into a war with Russia next week we could command the air, I think the time has come for the Congress of the United States to move politics out of the Capitol and proceed to buckle down to the job of building up the defenses of America to the point necessary, so that we can demonstrate to Stalin that if he wants to make his move he will make the move with America in control of the air.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. HUMPHREY. I am sure the Senator is familiar with the most recent report of the Secretary of Defense, in which he placed the armed strength of our country at three and one-half million men, and, I believe, the size of the fleet at 1,100 activated ships, and that the contemplated Air Force was 95 groups. He said that force was a basic minimum. If I recall correctly, there was a statement in that report that this minimum security force was taken as even a calculated risk as to what the future might offer. In other words, when we talk about the tremendous amount of money which is being expended, I think we have to drive the point home, as the Senator from Oregon has so well said, that this is the basic minimum which a nation with our responsibilities should have, or can have, and that we ought to be actually looking for even greater strength and greater mobilization, and evidence greater determination and willingness to sacrifice than we have so far. That has been my opinion, and I gather that the Senator from Oregon shares that view, for

he has pointed it up again and again in his remarks on the floor.

Mr. MORSE. I will say to my good friend from Minnesota that I completely agree with him. In fact, I may say to him, speaking now as a member of the Armed Services Committee, that I am satisfied that if the American people knew what the members of the Armed Services Committee of the Senate know about the present state of America's defenses there would be an overwhelming demand on the part of the American people to increase the amounts in this bill, not decrease them. I have many times in the past couple of years pleaded on the floor of the Senate and elsewhere in this country for the American people to be given more information by the administration in regard to the foreign policy problems that confront the Nation, because I believe too many things have been kept from them on the false assumption that Russia does not know about them. The sad fact is that the leaders of Russia know more about the military defenses of America than the people of America know about them. I think we can take judicial notice of that. If the American people knew what I saw here is, in my judgment, a fact, that we cannot control the air today in an all-out war with Russia, they would say to us, "Then get busy and see to it that the funds are appropriated so we may have an Air Force powerful enough to take over the air."

I am not free to disclose the source of my information tonight, but I say by way of an assertion which I know cannot be successfully contradicted, that I know from high, reliable authority in this Government that we do not now have control of the air. Take the Korean situation. When there was talk about expanding the war to the mainland of China, at a time when, if we had done it, the Russian air force would have lifted itself off the ground in Manchuria, we would not have been able to get any boys out of Korea. Yet there are demagogues in this country who have been trying to poison the minds of the American people into thinking that a proposal to adopt the MacArthur program in Asia would be in defense of the boys in Korea. It would have been mass murder; that is what it would have been. If the Russian air force had gone off the ground in Manchuria it would have resulted in mass murder of the boys in Korea.

Mr. DOUGLAS and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Oregon yield, and if so, to whom?

Mr. MORSE. I do not yield just yet, Mr. President.

The junior Senator from Oregon, in spite of all of the abuse he has taken for his stand on the MacArthur case, is proud of the stand he took, and he will let history judge whether he was right or wrong, because I happen to be one who believes, as the late Admiral Sherman said when he was on the stand during the MacArthur hearings, that the carrying out of MacArthur's proposals, such as his proposal for a unilateral blockade on Port Arthur, would have

constituted an act of war on the part of the United States against Russia. Yet some were trying to tell us that even if we did that, it would not have brought Russia into the war. Such a claim was, in my judgment, not only preposterous, but ridiculous and absurd. The idea that no matter what we do unilaterally, as proposed by MacArthur, would not bring Russia into the war, is perfectly absurd. We just did not happen to be in a position in Korea to carry out such a program.

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

Mr. MORSE. I wish to finish my statement before I yield.

So I agree with the Senator from Minnesota that we ought to put ourselves into a position so if it becomes necessary to expand that war—and there are strong indications that it will be necessary—we can successfully conclude it. Believe me, so far as I am concerned our flag should not be forced to retreat by any appeasement settlement in Korea. We must be in a position there, if the time comes when we have to expand the war, that we can expand it to an early, successful conclusion, without the tremendous casualties we would have suffered at the time MacArthur proposed to expand it.

These things are all linked together. The Senator from Minnesota in his comment, I think, has pointed out the importance of all of us in this country standing together for an all-out military and economic mobilization program, so we can make ourselves so strong, quickly enough, that Stalin will think better than try to continue the aggressive course of action which is the foreign policy of Russia now. That is the position of the junior Senator from Oregon on the question of defense.

As a member of the Armed Services Committee, I am heartsick to think that in the consideration of this bill we are going to put American dollars ahead of what I think is an expenditure necessary for the adequate defense of our country.

Mr. DOUGLAS. Mr. President, will the Senator now yield?

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to read, if I may, from the testimony of Secretary of State Marshall before the Senate Committee on Foreign Relations on January 8, 1948, to clear up the question as to whether or not the Department of State wanted an independent ECA. I should like to read first from page 9 of the hearings in which Secretary of State Marshall stated as follows, as appears at about the middle of the page:

I think that in our effort to restore the stability of the governments of Western Europe it would be unfortunate to create an entirely new agency of foreign policy for this Government. There cannot be two Secretaries of State.

Again, on page 19, the Senator from Texas [Mr. CONNALLY] asked Secretary Marshall this question:

Senator CONNALLY. When this Administrator is appointed of course he will be confirmed, before he can have it, by the

Senate. If a matter of foreign policy should confront him, if the matter refers to our foreign relations, do you regard that your decision would determine the situation, or would the Administrator, after hearing you, go on and act on it on his own?

Secretary MARSHALL. My decision should determine.

In other words, the Department of State was to control the decisions of the ECA.

Then the question arose as to representation of the ECA in foreign countries. Secretary Marshall made the following statement:

Some might feel if you take a very efficient American businessman who is accustomed to getting action quickly, who is accustomed to acting directly, and you involve him in the meshes of diplomacy—we will call it that—you are limiting very much the possibilities of efficient operation.

I think it can be arranged otherwise. But at the same time I do not think you can have two separate agencies of the United States Government in a country dealing directly with that government. When it comes to dealing directly with the business interests, that is one thing, and the coordination will come from back here. * * * But when you come to dealing directly with those governments you cannot set up a dual arrangement there without getting into a state of hopeless confusion.

So it is apparent that the Department of State wanted to control the new administration not only in Washington, but also in its representation in foreign countries. Then, in response to a question from the chairman, who was Senator Vandenberg, the implication was very clear that it was the Department of State which would do the hiring of personnel attached to the new agency, and that the officers of the Foreign Service were to be on top, so to speak, of the new group.

I know that the Senator from Oregon is a meticulously accurate man, and has a great passion for the truth, but I think the passages which I have read indicate very clearly that it was the original intent of the Department of State to have ECA subordinated to it, even though ECA would be organizationally separate. The Department of State was to control its policies at home and direct its activities abroad. Its personnel was to be largely recruited from the Foreign Service. It was to be an appendage of the State Department.

That decision was reversed. I think ECA, by its activities, has justified itself, and by its record has indicated that it would be preferable to continue on the model which it has established, rather than to revert to the early policy advocated by the Department of State, that it should be in control.

So while I may have erred in stating earlier that ECA was set up as an organizationally separate agency over the opposition of the State Department, I believe the record of the 1948 hearings supports my earlier contention that there was fear of duplicate authorities in the field of foreign affairs.

Perhaps it would have been more accurate to say that the establishment of ECA not only as a separate but also as an independent agency—and it is the element of independence which I wish to

stress now, and perhaps should have stressed more in my earlier statement—was opposed by the State Department.

Mr. MORSE. I do not know whether I am to conclude from the Senator's comments that he thinks he has proved that some former statement which the Senator from Oregon made was erroneous or not. Let me review the colloquy for the Senator from Illinois.

A few minutes ago I asked the Senator from Illinois if I was correct in my hearing, that he had said, in effect, that ECA was set up over the protest of the Department of State.

Mr. DOUGLAS. I perhaps should have said that it was the original intention of the Department of State that it should be a separate but not an independent agency. It was originally intended that it should be under the control of the Department of State.

Mr. MORSE. Will the Senator from Illinois allow me to review the colloquy as I understand it?

Mr. DOUGLAS. Certainly.

Mr. MORSE. I think the RECORD will show tomorrow that the colloquy was that I asked the Senator from Illinois whether or not I understood him correctly to say that he argued that the ECA was set up over the protest of the State Department.

Mr. DOUGLAS. As a separate and independent agency.

Mr. MORSE. We will let the RECORD speak for itself. I understood the Senator to reply to me that that had been his argument—that it was set up over the protest of the Department of State.

Mr. DOUGLAS. Its independence was established over the protest of the Department of State.

Mr. MORSE. I replied that it was my understanding that the Secretary of State, George C. Marshall, insisted upon the establishment of a separate agency, outside the State Department.

I repeat it, and I say now that the State Department went along with the Secretary of State. I refer the Senator to page 14 of the committee report of February 2, 1948, which reads as follows:

The committee completely agreed with the Secretary of State that it would be unwise to place the agency in the Department of State. Such a move would impose upon the Secretary a responsibility for duties of an operational nature not within the normal range of the Department's activities, and might, as a result, impair the execution of its policy functions. Under the circumstances, a new and separate agency seemed to be a wise alternative.

In other words, the committee itself adopted the recommendation of the Secretary of State. That is what I was trying to point out to the Senator from Illinois. I understood him to say that it was done over the protest of the Department of State. That, I told him, I thought was not true.

Mr. DOUGLAS. The independence of the ECA was established over the protests of the Department of State.

Mr. MORSE. I close the argument so far as I am concerned simply by saying that the Secretary of State at the time recommended such an agency, and the State Department went along with the idea. If what the Senator from Illinois

wishes to argue is that there was no time during the give-and-take discussion as to how it should be set up when there were not representations from various sources, including probably some from some officials in the Department of State, I would not question that statement at all. But I assert again that there was no protest from the Department of State, because ECA was set up with the recommendation of the Secretary of State himself. I repeat that, so far as the constitutional system is concerned, it was an unfortunate interference with the discretionary powers of the President.

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

Mr. MORSE. Let me say first that I think I ought also to point out at this point that there are some definite differences between the situation presented by the European recovery program, ECA, and the mutual-security program of the pending bill.

I have noticed in this argument, not only on the floor of the Senate here tonight, but in committee and elsewhere, that the proponents of the Smith program slide and shift into a discussion which seeks to give the hearer the impression that the ECA program is in effect on all fours with the present program of mutual security. That is not so. I wish to point out some of the differences.

A separate agency responsible to the President was created to conduct the European recovery program. Because of that fact it does not follow that identical principles can be applied to the entire mutual security program. The objectives of ERP and the methods to attain them were simple by comparison with the complex nature of the military economic, and technical assistance programs now under consideration. The opportunity for jurisdictional strife, I think, would be multiplied many times under the mutual security program over what the dangers were under ECA—and they were plenty under ECA, and made it necessary even then, as I said earlier tonight, to work out a liaison relationship with the State Department Foreign Service, the State Department embassies in foreign fields, and the ECA officials.

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

Mr. MORSE. In a moment.

As I stated, the objectives of ERP and the methods to attain them were simple by comparison with the complex nature of the military, economic, and technical assistance programs now under consideration. Under ERP there were reasonably well defined objectives for which policy guidance for an independent operating agency could to a great extent be laid down in advance, and operations did not require, as the present program will, constant adaptation and reconsideration because of foreign policy considerations that cannot be dissociated from the daily conduct of foreign affairs.

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

Mr. MORSE. I should like to finish this thought first. I will get to the Senator, and I shall try to answer him.

The mutual security program in many areas of the world will deal with such

matters as the conversion of economies to military production, the mobilization of manpower for war production military needs, the utilization of common resources, the straining of budgets to meet heavy military expenditures, and similar items. All of these matters are so basic to the lives of these other countries and their governments that any important actions on the part of the United States which touch these matters gravely affect United States relations with these countries. Thus the problem here concerns not only economic considerations, which was the primary concern of ECA, but also a whole range of military and political factors which require the most delicate day-to-day negotiations with the governments concerned.

In fact, I respectfully submit that the sponsors of the Smith amendment have not given due weight to the fact that they are dealing with a program of administration which is much more complex than the administration of ECA, and with an administrative problem which is filled with a great many international political problems, which I believe make it of the utmost importance that the administration remain within the Department of State and its Foreign Service.

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

Mr. MORSE. In a moment I shall be happy to yield.

It should be clear from experience in dealing with problems of this kind at home that they are ones for which policies cannot be laid down for a year or two in advance. The situation is no different in other lands, and where United States aid programs touch, as they must constantly do, upon problems of this character, they go to the very roots of our political relationships abroad. It is difficult to see how responsibility for these relationships can be divorced from the Department of State or how that responsibility can be properly discharged unless the President—through Secretary of State—has the authority to assure that United States aid programs, as well as our other activities abroad, are consistent with, and further, United States objectives in these relationships. The conduct of foreign policy cannot be compartmentalized even though it is possible to delegate, under proper guidance and coordination, some of the operating tasks which are the instruments of that policy.

I digress for a moment to say that in regard to the whole problem of international cartels and monopolies, which I believe are bound to be troublesome spots in the administration of the program, it is of utmost importance that the administration be conducted by the officials of our Government who under the Constitution clearly are the ones who throughout our history have had the responsibility for administering foreign policy.

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

Mr. MORSE. I think that the assumption that it can be done by some officer of new Cabinet rank, with a staff independent of the State Department staff, is bound to get us into some very

serious complications in the field of international politics. Who would be the trouble-shooters when such problems are created? Does it mean that we would set up an independent agency, headed by a man of Cabinet rank, who would be permitted to go along in a course of action which would create an international political problem, and then say to the State Department, "Now I got you into it. See if you can get out of it." It is perfectly absurd.

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

Mr. MORSE. In a moment I shall be happy to yield. It is only common sense that the primary responsibility ought to be that of the Secretary of State, and that he should be permitted to delegate to subordinates the economic administrative phases of this problem. But let us recognize that overlying and underlying the whole thing is this basic problem which falls to the State Department, namely, the one of international politics.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. In a moment. I wish to finish this thought. Mr. President, it is a great mistake for us to follow the recommendation—although I respect him very highly—of my good friend the Senator from Illinois [Mr. DOUGLAS], who in this instance is proposing a very unsound course so far as efficient administration of the foreign policy of our country is concerned.

It is of the utmost importance that we head off the amendment of the Senator from Illinois and its cosponsors, for the very reasons I have just brought out, the fundamental one being that it is impossible to separate the problem from the problems of international politics of the State Department, which the Senator from Illinois would have to admit—at least I would be surprised if he did not—are problems which ought to be handled by the Department of State. Now I yield to my friend, the Senator from Illinois.

Mr. DOUGLAS. I know the Senator from Oregon wants accuracy in these matters. I should like to quote from the initial bill, which was prepared by the Department of State and submitted to Congress under date of December 19, 1947. In section 4 (a) the concluding sentence on page 4 of this pamphlet reads:

All those functions of the Administrator which affect the conduct of the foreign policy of the United States shall be performed subject to the direction and control of the Secretary of State.

It indicates that it was the original purpose of the Department of State to have ECA completely under its thumb. In the final draft of the bill the clause was omitted, after Congress refused to accept it, because it did not wish to have the direction of ECA completely in the hands of the State Department.

That is not all. In section 6 (a) there was a provision concerning the personnel of ECA, which was to be set up according to the draft of the State Department. It declared:

The Secretary of State may (1) appoint or assign persons to any class in the Foreign Service reserve for the duration of operations under this act * * * and (2) by

regulations prescribed by him, provide for the appointment, for the duration of operation of this act, of Foreign Service staff officers and employees.

In other words, they were going to utilize the Foreign Service and the Foreign Service reserve, but there is no mention about bringing in businessmen and labor men from the outside to conduct the actual operation. It was intended to be a State Department show. It was only after Congress refused to accept it that the State Department changed its tune.

I submit that ECA as a whole has had a successful career, and in large part it has had a successful career because it broke away from the shackles which the State Department would have imposed upon it originally, and which the Senator from Oregon is now saying should be applied in the conduct of military and economic aid under the plan now proposed.

The hour is late, and I do not wish to prolong the subject. However, I do not see how the Senator from Oregon can refute the facts. I offer the pamphlet to him, from which he can check the accuracy of the statements I have made.

Mr. MORSE. I thank the Senator. However, he need not worry about the lateness of the hour. Would the Senator from Illinois tell me just what he has proved?

Mr. DOUGLAS. I have proved that the State Department originally wanted to control ECA and to control its policies and its personnel.

Mr. MORSE. The Senator from Illinois has brought out that in the original draft—

Mr. DOUGLAS. Which was the proposal of the Department of State.

Mr. MORSE. Will the Senator from Illinois permit me to finish my sentence?

Mr. DOUGLAS. Certainly. Even so, the Senator from Oregon cannot controvert my statement.

Mr. MORSE. The Senator may be surprised. I ask him to wait. All that the Senator from Illinois has brought out is that in the original proposal coming from the State Department—

Mr. DOUGLAS. That is all I said, that the State Department originally wanted to control ECA.

Mr. MORSE. What is the Senator from Illinois talking about now? Is he talking about his original statement?

Mr. DOUGLAS. No. When ECA was originally set up it was intended by the State Department to be an appendage of the State Department. It was only after popular and parliamentary indignation prevented such an occurrence that ECA was set up as it is now known.

Mr. MORSE. Let us talk about the Senator's present statement, and then come back to his original statement, on which, the Record will show, the Senator from Illinois agreed with me when I quoted the statement that ECA was set up over the objections of the State Department. It was originally set up on the recommendation of George Marshall. However, let us consider the last alleged bit of proof of something or other.

Mr. DOUGLAS. It is intended to be an alias for the State Department.

Mr. MORSE. I am trying to find out what it is supposed to prove. The Senator from Illinois now comes forward with a document which contains a paragraph to the effect that in the original draft of the foreign-aid program, which came to be known as ECA, as submitted by the State Department, the administration was to be placed in the State Department. So what?

Mr. DOUGLAS. That is exactly what I said. It was in the original draft.

Mr. MORSE. Does the Senator wish me to protest to the State Department? All it proves is that in the original draft the State Department had one idea. When, subsequently, the Secretary of State came before the committee and presented the official position of the State Department, what did he propose?

Mr. DOUGLAS. He proposed that the ECA should be controlled by the State Department.

Mr. MORSE. That is what the Senator from Oregon has been trying to tell the Senator from Illinois for some time. He understood the Senator from Illinois originally to say that ECA was set up over the protest of the State Department, and I corrected him by pointing out, which I now assert as a fact, on the basis of subsequent evidence put into this Record, that the Secretary of State himself recommended that it be so set up.

So again I ask the Senator from Illinois what he is going to say about that.

Mr. DOUGLAS. I simply say that the Senator from Oregon with his characteristic legal casuistry—

Mr. MORSE. The Senator from Illinois usually says "legal analysis."

Mr. DOUGLAS. I say legal casuistry.

Mr. MORSE. That is a new one, but I think it is about the same.

The fact is that in the Record tonight the Senator from Illinois and I have established that the ECA in its original form was set up on the recommendation of the Secretary of State.

Mr. DOUGLAS. I say that they—

Mr. MORSE. I want the Senator from Illinois to answer "yes" or "no"; I want him to say that the statement I have made is either right or wrong. The statement to which I have just referred is the only difference that has resulted between our presentations.

Mr. DOUGLAS. The Senator from Oregon is resorting to the tactics of a trial lawyer.

Mr. MORSE. I think I should put the Senator from Illinois on trial on the question of whether I made a statement which was factual. I say that from his own lips the Senator from Illinois has proved that my statement was factual.

I do not deny at any time that I said it. I said that I had no doubt that some persons in the State Department had some other ideas.

Mr. DOUGLAS. The document I have here is an official document of the State Department, printed as a committee print of the Senate Foreign Relations Committee.

Mr. MORSE. But it is not the final statement of the Department.

Mr. DOUGLAS. Oh, no; the State Department finally backed down.

Mr. MORSE. I am still waiting for the Senator to produce a protest by the

Secretary of State in regard to setting up the ECA as it was set up.

The point is, I say to the Senator from Illinois, that the State Department did not protest it. The Senator from Illinois simply has before him a bill which is a little different from the final bill, and the Senator from Illinois wishes to read into it a protest by the State Department. Mr. President, the State Department simply changed their mind; that is all. That is done a great deal in the State Department. [Laughter.]

Mr. DOUGLAS. They change their mind, but they never admit that they change it.

Mr. MORSE. Oh, yes; they do.

Mr. DOUGLAS. I am delighted to hear that they changed their mind, and I hope the Senator from Oregon will change his mind, and that the new program will be administered by a different agency, as the ECA program was, instead of having three different bodies, each administering a different portion, and then having conferences and conferences and committees and committees to determine the precise part of the program to be administered by each in each of the various countries.

Mr. MORSE. The Senator from Illinois will never live long enough to see me change my mind on the important point of strictly following the constitutional system. Some day I hope to get the Senator from Illinois back into the fraternity of constitutionalists.

Mr. DOUGLAS. Is the Senator from Oregon aware of the remark of the then Governor of New York—who later became Chief Justice of the United States, Charles Evans Hughes—at Elmira, N. Y., in 1908, I believe, when he declared that we live under a Constitution and that our Constitution is what the Supreme Court says it is? Is the Senator from Oregon aware of that?

Mr. MORSE. Mr. President, I have been trying to tell the Senator from Illinois that all night, by citing to him a number of Supreme Court decisions. He should read them. They are a part of my argument. The Senator from Illinois will find the meaning of the Constitution of the United States in many respects in the decisions of the Supreme Court of the United States.

I submit to the Senator from Illinois that he and the other Senators who have joined with him in endorsing the amendment never read those decisions before they sponsored the amendment. If they had read those decisions, they would not have sponsored the amendment. If they had read those decisions, I believe they would have been just as enthusiastic about the separation-of-powers doctrine as I am. However, those Senators simply did not read the decisions.

Furthermore, in commenting on the theory of the Senator from Illinois about the State Department, I wish to say that I believe he would not be so sure about the alleged incompetence of those in the State Department if he read some of the names of those who serve there—names such as those of Walter Gifford or John McCloy or David Bruce or George Perkins or Dr. Bunche.

Mr. DOUGLAS. Those men were brought in from the outside in order to

put real red blood into the State Department.

Mr. MORSE. They just happen to be ambassadors; that is all. They just happen to be in charge of United States embassies.

Mr. DOUGLAS. But they are not career men in the Foreign Service.

Mr. MORSE. Let me say to my good friend, the Senator from Illinois, that those men just happen to be in charge of the embassies which administer the Foreign Service of the United States.

Mr. DOUGLAS. Oh, no; the Senator from Oregon betrays an ignorance of the organization of the State Department. There is a group of professionals, comparable to Regular Army officers, called the Foreign Service, some 1,300 in number, and it is frequently they, and not the ambassadors, who perform the substantive work of our embassies—who actually write the recommendations to the State Department, even though they are sent over the ambassador's name.

Mr. MORSE. I know that, and I am convinced that I know it better than the Senator from Illinois does.

Mr. DOUGLAS. Mr. Gifford, David Bruce, and the other men named by the Senator from Oregon are not members of that group. The men to whom the Senator from Oregon turns as examples of the worth of the State Department are men for whom the State Department—not finding sufficiently competent men, or, in the case of the larger ambassadorial posts, men with sufficient resources, in the Foreign Service to fill these positions—had to turn to the outside—to other occupations. I say the example the Senator from Oregon has given is an extremely good example of blood transfusions in the State Department.

Mr. MORSE. I would not accuse the Senator from Illinois of anything, but in this instance he shows clearly that he does not know what he is talking about, because I think he is greatly mistaken if he seeks to make a record here tonight which would give the impression that the ambassadors in our embassies are not really the men who control the policies of the embassies in the foreign countries to which they are assigned. Those men have tremendous influence over the personnel of the embassies, and they have great power in weeding out incompetents from the embassies.

In my judgment, what the Senator from Illinois is really saying, in effect, is that men such as Walter Gifford, John McCloy, David Bruce, Douglas, Perkins, Bennett, and so on—

Mr. DOUGLAS. All of them are drawn from outside the Foreign Service; all of them are drawn from American business or industry. If the Foreign Service had its way, those men would not be in the embassies, because the Foreign Service intends that those jobs shall be the exclusive preserve of the regular officers of the Foreign Service.

Of course, the ambassadorial appointments are made by the President, by and with the advice and consent of the Senate, and not the advice and consent of the Foreign Service.

Mr. MORSE. Mr. President, I hope my good friend, the Senator from Illinois, will stop long enough to analyze the statement he has just made. I do not think he means it.

Mr. DOUGLAS. Yes; I mean it.

Mr. MORSE. The Senator from Illinois picks right out of the air his statement that the men I have named would not be in the Foreign Service if those to whom the Senator from Illinois has referred had their way. What does the Senator have to prove that statement? Where is his evidence of it?

The statement he has made is simply a dogmatic observation made use of for a moment of argument, without a single scintilla of proof. Where is the proof? The Senator knows better than to argue in that way.

All I can say is that I never knew the Senator from Illinois to be so tired.

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

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

Mr. MORSE. I yield.

Mr. HUMPHREY. I have been enjoying the discussion between two of the intellectual giants of the Senate and two very able debaters.

Mr. MORSE. The Senator should not "kid" us.

Mr. HUMPHREY. The recent debate only proves that when two worthy antagonists begin to combat one another, it is very seldom for either one to yield a position. There has been a spirited argument, without any yielding of position.

As I understand the argument, it is that the Senator from Oregon, with his strong belief in the constitutional system, which I trust all of us favor, feels that the entire management of the foreign relations should be under the direction of the President, as the Constitution prescribes, through the Secretary of State, and that the mutual-assistance program and all other foreign programs are a part of that matter.

On the other hand, the Senator from Illinois, I think, has justly pointed out that the Marshall plan, or the ECA program, as it is also known, has resulted in bringing a blood transfusion into the foreign policy apparatus of our country, bringing into that service new faces, new ideas, new personnel.

I do not think either side is exactly in opposition to the other; I think there is merit in both sides.

Mr. MORSE. Has the Senator from Minnesota read the amendment of the Senator from Illinois?

Mr. HUMPHREY. I speak now of the particular point the Senator has been discussing so directly, namely, the point as to the kind of personnel.

I simply say to the Senator from Illinois that it is well known that there has been open cleavage between ECA representatives and many of the Foreign Service representatives in certain countries. I do not think there have been open hostilities, but there have been, let us say, personal jealousies or differences of opinion which sometimes are difficult to settle.

I also think it is well known that for years the State Department has refused, for example, to put labor attachés who amounted to anything on the embassy staffs, and that the ECA has taken not only businessmen but farmers and labor leaders and others, who have done outstanding jobs in interpreting the real spirit of America. I think it is fair to say that the Senator from Illinois has pointed out again and again, without any reflection upon the character, and without any reflection upon the ability of Foreign Service officers, the need of new blood. I have a great respect for them, but they are overseas so long, and away from the American shores so long that they simply do not know what is going on back home; and once in a while it is a good idea to have somebody come right from the vineyards of the local community, to go abroad and talk to persons in the local areas in Germany or France or Belgium, and tell them about what the boys back in America are thinking about—and I mean away back in America, not merely as far as Pennsylvania, but perhaps as far as Oregon, Minnesota, Ohio, or Illinois. This is what the Senator from Illinois is, I think, fairly stating, that there is the necessity of an occasional "shot in the arm" of new intellectual, physical, and moral vigor into the Departments of Government; and ECA has done that.

Is there any conflict here that cannot be reconciled? I say not. As a matter of fact, if we are going to conduct a program of the size of the one we are considering, which is a \$7,500,000,000 program, and which should be an \$8,500,000,000 program, not a \$7,500,000,000 program, it ought to be basic that if we are going to have that kind of program, we are going to need additional personnel, or at least we are going to have to maintain a staff of the size we now have.

I think what the Senator from Illinois is more concerned about than anything else is that, somehow or other, this classified—and almost at times, let me say, codified—system of personnel apparatus does not fix itself into the kind of program that needs to be flexible, that needs to be creative. Whether we like it or not, the simple fact of the matter is that unless we occasionally have a shot in the arm of new personnel and new vigor, in any agency, it loses its zest for living. That is just as sure as that we are on this floor tonight. That is one of the things about defense agencies, that if we want to get the job done, we have got to bring in a few new people, because the other people are already skilled and they are routinized into a plan of operation which is not directed toward the emergency or toward the critical condition. Now, if the Senator from Oregon and the Senator from Illinois will agree that we should put this program under a unified direction—

Mr. DOUGLAS. That is all the Smith amendment does, plus, of course, increasing the transferability of funds.

Mr. HUMPHREY. But at the same time to preserve the kind of vigorous personnel operation that is needed—

Mr. DOUGLAS. That is the aim of the Smith amendment.

Mr. HUMPHREY. I think we will get some place, because I do not believe the Senator from Oregon can dispute that the personnel operation of ECA has been one of the outstanding accomplishments of the Government; nor do I think he can disprove what I have said, that the State Department, in the past—I will say recently it has had a change of heart, but in the past—relegated such attachés, agricultural attachés, labor attachés, or commercial attachés, not to secondary positions, but to the lowest rung in the ladder. They were at the bottom of the totem pole. Yet here is great America, an industrial nation, a labor nation, in terms of its industrial skill, an agricultural nation, that did not even have a chance to project that kind of economic spirit—and political spirit, because that is a part of our politics. That is all I am trying to say. I do not want to go into the final details of this amendment. I am not sufficiently familiar with it.

Mr. MORSE. Oh, no; oh, no.

Mr. HUMPHREY. I am perfectly willing to see this program placed under the over-all direction of the Secretary of State, but I am not willing that the Secretary of State should be able more or less to simply neutralize the question of the personnel operation which we have had. That is exactly my point.

Mr. MORSE. I am confused by the last statement which the Senator makes, because before the last statement I was about to ask him whether the conclusion he wanted me to draw from all of his remarks, up to the very last sentence, was that, therefore, we ought to have the Smith amendment.

Mr. HUMPHREY. Oh, no. The Senator from Minnesota is not at all saying that. The Senator from Minnesota is saying, however, that if we are to permit this whole operation to be taken into the State Department without some protection in the terms of the kind of personnel that is to be used and the kind of recruitment that is to go on, we are going to have the situation about which the Senator from Illinois speaks; and I do not think he is being unfair to the Foreign Service when he says that it is not skilled in the field of economics, that it is not skilled in the art of practical politics, that it does not possess skill in the technological sciences which we need. They are skilled in something else, and it is fair to say that they are skilled in something else.

Mr. MORSE. Now, let us see. I have got two points. Is that correct? No. 1, the Senator from Minnesota is not advocating the Smith amendment.

Mr. HUMPHREY. No; he is not.

Mr. MORSE. He is simply saying he thinks the State Department ought to do a little better job than it does, in many particulars, in the selection of personnel, in administering some of the foreign-aid programs. Is that not about what the Senator is saying?

Mr. HUMPHREY. No.

Mr. MORSE. Or does he think for a moment—and in my opinion really this is where my good friend from Illinois makes a mistake, too, or is guilty of an oversight—does the Senator from Minnesota really think that the State Department could undertake a mutual-aid

defense program of the magnitude of the one to which he has already alluded, and not bring in a considerable staff to help administer the program?

Mr. HUMPHREY. No. The Senator from Minnesota knows, as he said, that there will have to be plenty of additional personnel brought in for the staff.

Mr. MORSE. But the Senator from Minnesota is saying that, when they come to pick that staff, as the Senator from Oregon said approximately an hour and a half ago, and as I think the Record will show, they ought to get men of special skills necessary to do the particular job which needs to be done. But I repeat, we do not have to trespass upon the constitutional powers of the President of the United States in order to bring that about.

Why proceed on the assumption that we cannot count on the President of the United States and the Secretary of State to perform those big jobs through skilled men, specially trained for them?

Mr. HUMPHREY. I think that can be done.

Mr. MORSE. I submit that the Smith amendment proceeds on the assumption that we cannot rely on the President of the United States to perform his clear constitutional function. I am not going to make that assumption. I am going to judge the Presidents of the United States, and when they do not do that kind of job, or when they do not do an efficient job, then I say we ought to defeat them at the ballot box. But I do not think we ought to set up a kind of complex organization which I believe will cause confusion rather than efficiency, which will produce waste rather than economy, which it seems to me, will cause tremendous jurisdictional disputes in the field of foreign service, and will pull the rug out from under our embassies all over Europe. That is my argument in a nutshell.

Mr. President, I am going to proceed now. Let me state what I am going to do. I wish I were free to say "off the record." I am going to read a paragraph on each page, and then I am going to put the whole page in. I am not going to yield any more. I think I have been exceedingly liberal in yielding. I am not going to yield any more. I am going to get this statement into the Record, as fast as I can, and get out of here by midnight.

Mr. President, so there can be no question as to the right of the Senator from Oregon to do what he is now doing, I ask unanimous consent that I may be allowed to read part of this speech and have the rest inserted in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Now, Mr. President, I had said that one of the purposes of this speech which I am giving tonight is to provide a brief but somewhat comprehensive background to the foreign assistance legislative proposal. To the extent that it does this, it may be of some value, since little consideration seems to have been given this year to the pervading policy program problems, to which such background is especially pertinent.

I. THE PURPOSE OF THE MUTUAL DEFENSE ASSISTANCE PROGRAM

Secretary Marshall testified before the House committees last year that the original intent of the mutual defense assistance program was primarily to build up the morale of the European nations. He stated, in effect, that the elements of fear and despair were quite apparently inhibiting the European recovery program, and that it was believed that the sending of certain amounts of arms to Europe would have a meritorious effect.

The truth of this is supported by the fact that the first Mutual Defense Assistance Act contained a specific preamble clause recognizing that economic recovery was to take precedence over military build-up. In addition, the principle that the United States was not to initiate an armaments race, as ably expressed by the late Senator Vandenberg, fitted in well with this original concept. Thus, the so-called Byrd amendment, section 104, which drastically limited any major assistance to European military production, was included in the act.

In 1950, a change of direction in the purpose of the program was apparent. For instance, in the 1950 act amending the Mutual Defense Assistance Act, the categories of tools that could be sent to Europe were significantly broadened. As a matter of fact, the unexpected legal definition of the term "machine tools" as used in the 1949 act was so narrow as to restrict what could be sent to European factories during that first year to almost nothing. It was not until the supplemental appropriation of 1950 was passed, however, that a new purpose was apparent. By then, the Korean conflict had achieved full impact, and the Congress appropriated an additional \$4,000,000,000, a significant part of which was to be used for building up European military production.

II. THE CHANGE IN THE EUROPEAN RECOVERY PROGRAM

The Marshall plan was initially designed, and has been administered almost entirely to inject funds into Europe in a sufficient amount to alleviate the dollar-balance problem of the European countries. In this connection, certain basic practices were followed:

First. No effort was to be made, generally, to use ECA funds as a bargaining medium for the obtaining of political commitments, or advantages. This was, in essence, Marshall's calculated risk that an economic recovery would produce an atmosphere in which democracy would thrive in competition with communism.

Second. ECA dollars were to be spent only for goods from the dollar area. This had two effects, first, United States grants were not actually in dollars, but rather in materials, and secondly, ECA funds added directly and immediately to the market for United States production, including some surplus.

Third. Usual commercial and business practices were to be followed. The consumer in the country involved was to pay in local currency the fair value of the item he received, which payment became a part of the counterpart fund

in that country, to be spent for developmental projects as agreed upon by each country and the United States.

Fourth. European production of civilian items, with an emphasis on items salable in the dollar area, was to be assisted especially through technical direction and education. ECA was not to assist specific military production.

Now, it is said the original purpose of ECA has been accomplished. It is proposed, however, that additional economic assistance be given as an essential to the building up of European military production and to assist in maintaining approximately the achieved standard of living. To the extent that the Europeans divert their production to military items, they, of course, cut down the production of goods for their own consumers, thereby increasing inflationary pressures and cut down the amount of dollar exports thereby increasing the dollar-balance problem. It is also proposed that a technical-assistance program be carried on in relation to military production.

III. THE NEW APPROACH

Thus, the entire approach of both the MDAP program and the ERP program has changed drastically. For the first time, Congress is dealing with a program which is admittedly intended to foster a major European military production. It is in this connection that the various proposals for the organization of the new mutual security program are really significant. From a strictly organizational standpoint, the recently published Brookings report is obviously the most competent on this particular subject. It does not, however, represent for that very reason, any significant addition now to the mass of documents already issued. Basically, the conflict is on matters quite irrelevant to a proper organizational decision as such; rather ideas on basic policy are being expressed in organizational terms.

The most significant of the proposals in this respect is that of the Committee on the Present Danger adopted by Senator SMITH as the basis of his amendments to be offered to the administration's bill. Briefly, this committee urges an as complete as possible unification in one agency of policy control over the program, and makes a stab at providing some integration of operations within that agency. An agency separate from the Department of State is recommended.

Before discussing in more detail the merits of the conclusion made by this committee, a good hard look at the analysis in which the report indulged is necessary. This analysis is so incorrect in its important respects that it can only be concluded that many of the committee members, themselves a very outstanding group, participated only very generally in the preparation.

The basic proposition of the report can be garnered from the following statement (p. 40 of the full committee report):

That so-called military aid is essentially a form of economic aid has come to be generally recognized. Under the original Greek-Turkish Assistance Act, military equipment, military and civilian supplies, and credits

were furnished. Congress was right, as we have pointed out, in describing all aid in that act as "financial and economic assistance." Now, in Europe, under the economic strain of an enlarged troop basis it may well be said that all the assistance for which appropriations are being asked is in a sense military aid as well as economic aid. The immediate occasion is military, the means to the end in whatever form are economic.

This statement is made significant by statements made on preceding pages of the full committee report, as follows:

Given the total requirement to make possible the requisite troop strength while maintaining the essential supporting economy, the amount of United States aid required would be determined by the contribution which the European countries can make from their own resources. Several approaches to this phase of problem have been suggested and are discussed below.

The report then discussed these several approaches, making some sound points, until it comes to subsection (e) "Separate Criteria for 'Economic' and 'Military' Aid," as follows:

In addition to the approaches discussed above, there might be another approach growing out of the artificial separation in appropriations hitherto of so-called economic aid and military aid. The prospective cost of needed items of military equipment, which it was believed could not be produced at all or to advantage by a foreign nation itself, might be looked at independently of the over-all economic balance sheet of the country and an appropriation made to enable us to transfer such items on the ground that it would constitute necessary military aid. Or on a quite different set of criteria, certain expenditures might be deemed to make for the economic strength of the country and needed to close a "dollar gap" and appropriations asked to enable needed economic aid to be given. But such distinctions and such an approach deal with the form rather than the substance. It is the extent to which the over-all economic ability of one of these nations falls short of being able to meet its over-all essential requirements for our common objectives that determines whether there is any occasion for us to transfer any part of our economic resources to that nation.

Then, on page 39, the report states the following:

The particular need in particular areas for assistance from our resources may vary widely. The forms in which we can best apply that aid may also vary widely. But we are dealing with a single function and a single test. Are there things which, for mutual security, it is imperative should be done in and by other nations, which are beyond their unassisted economic ability to do? What is the measure of the additional resources which would enable these things to be done? Is it within our economic ability to provide such assistance from our resources, in view of the other demands upon it and within the general policies of Congress and the Executive? In what varying forms can they be supplied most effectively?

The report then continues to suggest that these things can best be accomplished by a centering and fixing, and suggests that "The present ECA organization would, of course, be the core of the new set-up"—page 46.

Two significant conclusions can be drawn from the above quotations: First, the report proposes that all of the primary and basic policy decisions are

economic, and second, the report thereby, although stating that its suggestions would integrate operations really attempts to integrate policy in one agency outside the State Department.

The first proposition is patently absurd. The first criteria is the number of troops to be developed, equipped, and maintained. This is a matter of Department of Defense cognizance, in conjunction with international planning and assignment. The second step is a decision as to where the needed equipment should be produced. While the economic ability of the countries in Europe to produce military equipment is an integral factor, it is by no means even the most important one. Matters of great practicality, such as the tooling capabilities of specific plants, the factor of timing, the cost of a particular item, and so forth, are the decisions which, in the aggregate, determine where equipment is to be produced. At the most, the so-called economic criteria, such as the dollar balance of the country, provide only limits or boundaries within which a certain amount of production can be carried on.

Further the report blithely passes over any consideration of the need for a close integration of political and economic considerations, except to the extent that it seems to suggest that such political questions as it admits exist can either be taken care of by the new administrator, or are of such a character as not to require the closest type of integration. To mention at least one field in which this just isn't true, the report fails to discuss military production from Japan, Germany, and Italy in any detail. Obviously, the primary problems in all three which must be handled before effective production can or should begin, are political. This failure to recognize the need for political-economic integration perhaps derives from the fact that it was not necessary for ECA proper. ECA was not to be used as a political tool—that is, no direct quid pro quos were to be expected. This was possible since it was believed that an economic revival in Europe would have great political results, as it did. However, a military build-up program is of an entirely different nature, in which military aid funds must be matched by local funds in a field which will not assist economic recovery.

Thus, the efforts to obtain from the French an adequate military budget were largely made through political discussions. The French had to be sold on doing something which would hurt.

Further, and even more importantly, the proposition that decisions of policy are dependent primarily upon economic factors would seem to be a dangerous adoption of the ideas of economic determinism to a degree never before engaged in by the United States. It presupposes something far beyond the philosophy of ECA. Briefly, ECA acted primarily as an international banker, with ECA funds flowing through regular commercial channels. When military items are dealt with, the Government itself is in each case the purchaser, from which comes the result as a necessary change that we will be dealing government to government directly. The rules of com-

mercial practice cannot be depended upon in such a case either to produce a desired result or to provide a limitation on how the money is spent; rather, almost every transaction of any size becomes a matter of intergovernmental negotiation. To enter these negotiations with the idea that the economic factors are the salient ones is to dangerously oversimplify our foreign-policy relationships.

As an example demonstrating that this is not taken into account by the Committee on the Present Danger, Senator SMITH's bill would establish overseas what amounts to two ambassadors in each country. Not only is this the opposite of integration, but the political representatives are deprived of the assistance programs as an affirmative tool. All the Ambassador can do is to complain to Washington if he deems the actions of the mutual security representative "contrary to the foreign policy of the United States."

One or two of these matters are given some cognizance by the bill passed by the House (H. R. 5113). For instance, section 513 of that act provides that "nothing contained in the act shall be construed to infringe upon the powers or functions of the Secretary of State." Just what this would mean, however, in actuality is hard to predict.

Fourth. Policy control by Congress.

It is therefore apparent that the Congress has generally allowed nominal decisions on organization to become decisive in changing the very philosophy of our foreign-aid programs. Butressing this conclusion is the fact that the bills so far proposed contain little indication that the Congress has given any consideration or weight to the new problems of substance which face us.

That this will derogate from the amount of practical control which Congress will have over the programs can be demonstrated by one example. As previously mentioned, at its inception, the Mutual Defense Assistance Act contained the so-called Byrd amendment (sec. 104) which effectively prohibited much assistance to military production in Europe. Now, the method of abolishing the effect of that amendment is one line which (in sec. 101 (a) (2) of H. R. 5113) applies the authority of ECA to the assistance of military production in Europe. Since the authority of ECA to assist productive facilities is relatively unlimited, the Byrd amendment is nullified. This is probably a necessary step, but the point is still valid as a demonstration that the House bill, in merely amalgamating three acts, and delimiting the various functions only through the allocation of funds, produces a legal hodgepodge wherein the limitations placed in each act may or may not have validity. This was also the method followed in the bill presented by the executive branch, and almost completely, it is submitted, eliminates one of the strongest methods of congressional control of the foreign assistance programs; namely, current up-to-date policy directives in the form of legislative language.

Fifth. The question of appropriations has been directed almost entirely against

the so-called economic assistance. The stated reason for suggesting these cuts is generally that the "European nations don't need any more funds for economic recovery." This is, of course, a complete failure to recognize that the economic assistance in this act is required for the effective production of military items in Europe. That this has not been recognized more by the Congress is probably primarily the fault of the administration in making its presentation, and, as a matter of fact, in calling the funds tagged for this purpose by the term "economic assistance." Be that as it may, if any sizable cut is made in the funds to be expended under the ECA Act, it might well be necessary to provide a greater degree of interchangeability between the "military" and the "economic" funds, since what they are really talking about is production in the United States—military—or production in Europe—economic—and, as stated earlier, a fair degree of flexibility in authority to decide where the item is to be produced is essential.

In summary, I wish to say that essentially the big question in this year's legislation on foreign assistance is that of European military production. The primary problem for decision is the extent and the manner of using and developing that production. While this problem has been thoroughly considered at all previous sessions, it has been considered this time primarily in terms of organization and appropriations, and the issues have, therefore, become diffused and uncertain. In the process, Congress has, in effect, taken over the functions of an organizer, and given up its function of controlling basic policy.

Mr. President, I have set forth at some length in my argument tonight the fact that I think the European countries need a further build-up of their economic productive forces if they are really going to put themselves into a position over the long pull to defend themselves against the threat of onrushing Communist aggression in Europe.

I spoke at much greater length than I intended, but that, of course, was necessary in order to answer my good friend from Illinois [Mr. DOUGLAS] on certain points on which I found that he had overlooked what I considered to be some very fundamental constitutional principles that should be considered by the Senate tomorrow when it comes to pass upon the Smith amendment.

I close by saying to my colleagues that they will never go wrong if they follow the constitutional system, with its basic pattern of separation of powers. They will never go wrong if they stay within their own constitutional bailiwick and do not transgress upon and trespass into the constitutional prerogatives of the President of the United States to function as the Supreme Court has held so many times in the decisions which I have cited tonight as the voice of America in the field of foreign policy.

FRED P. HINES—VETO MESSAGE
(S. DOC. NO. 68)

The PRESIDING OFFICER (Mr. FREAR in the chair) laid before the Senate the following message from the

President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the United States Senate:

I am returning herewith, without my approval, S. 827, Eighty-second Congress, "An act for the relief of Fred P. Hines."

This measure would authorize and direct the Administrator of Veterans' Affairs to pay to the claimant the sum of \$778.78, which, to quote the bill, represents "the amount necessary to pay private medical and hospital expenses incurred by him incident to an emergency operation when his physical condition was such that he could not be removed to a Veterans' Administration hospital."

Mr. Fred P. Hines served in the United States Army during the Spanish-American War from April 29, 1898, to the date of his honorable discharge on November 18, 1898. There is no evidence that he was suffering from service-connected disabilities at the time of his discharge, and it is clear that Mr. Hines has not suffered from any service-connected disability since his discharge.

Over a long period of years, beginning in 1920 with approval of a non-service-connected pension claim, Mr. Hines has been recognized by the Government as suffering from non-service-connected disabilities. In connection with them, he was admitted as a patient at the Veterans' Administration hospital, Fargo, N. Dak., on September 22, 1941, and was there hospitalized until May 14, 1942. He was again admitted to that hospital on February 7, 1948, and was discharged on March 4, 1948. On June 2, 1948, he was temporarily hospitalized at the same hospital for the third time, but was discharged, apparently on the same day, since he was admitted to complete dental work started earlier.

A little over a month later, on July 14, 1948, Mr. Hines underwent surgery in a private hospital to correct a complete obstruction of the lower end of his stomach. From the statement of his private physician furnished to the Veterans' Administration on May 10, 1949, it appears that this surgical operation followed a period of study and general upbuilding measures and discussion of his condition, both with him and with his family.

The veteran was well aware of his eligibility for hospitalization at a Veterans' Administration hospital, as evidenced by the admissions and periods of treatment mentioned above. I am reluctant on the basis of the record of this case to accept the statutory finding of the Congress that the period of hospitalization and medical treatment for which this measure would recompense Mr. Hines was incident to an emergency operation when his physical condition precluded removal to a Veterans' Administration hospital. Also, I find it difficult to understand why either Mr. Hines or his representatives should feel that they have a basis for claiming recompense from the Government, particularly in view of the fact that in February 1947 the veteran was notified by the Veterans' Administration that there was no legal basis to pay his claim for medical and

hospital care at a private hospital in January 1947 under circumstances not dissimilar from those here presented. This rejection of claim could scarcely have been forgotten by Mr. Hines and his family.

The committees of the Congress, in reviewing the action of the Veterans' Administration in rejecting the claim upon which S. 827 is based, say:

There is little doubt but that the Veterans' Administration is correct in its interpretation of the regulations concerning this veteran's entitlement to medical care and treatment. Legally, the claimant has no ground for recovery.

I agree with this statement, but I cannot agree that the case presents factors of equity which justify the enactment of this bill. Neither can I agree with the conclusion of the committees that a favorable decision on this measure does not establish a precedent.

The rules under which eligible veterans may be hospitalized for disability not connected with their active military service are as clear as they are liberal and equitable. To set them aside in favor of Mr. Hines would inevitably constitute a precedent for the presentation to the Congress of proposals similar to this measure in behalf of other claimants. It seems to me certain that the adoption of the principle underlying this bill would provide a far-reaching incentive to veterans generally to engage the services of private physicians and hospitals in the hope and belief that the Government ultimately would pay the costs thereby incurred.

I recognize and respect the compassion which prompted favorable action by the Congress on this measure, but I cannot disregard, solely on compassionate grounds, either the facts in this case or the established limits for medical and hospital treatment of non-service-connected disabilities.

For the foregoing reasons, I feel obliged to return this bill without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, August 30, 1951.

RECESS

Mr. HUMPHREY. I move that the Senate stand in recess until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 11 o'clock and 54 minutes p. m.) the Senate took a recess, the recess being, under the unanimous-consent agreement, until tomorrow, Friday, August 31, 1951, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 30 (legislative day of August 27), 1951:

DIPLOMATIC AND FOREIGN SERVICE

Harold B. Minor, of Kansas, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Republic of Lebanon.

FEDERAL DEPOSIT INSURANCE CORPORATION

Henry Earl Cook, of Ohio, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years from September 6, 1951. (Reappointment.)

SENATE

FRIDAY, AUGUST 31, 1951

(Legislative day of Monday, August 27, 1951)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, the Father of us all, we pause in this moment to praise Thy glorious name. We would reaffirm our faith and allegiance in the things unseen which, from the beginning, have been the fabric and fiber of our Nation's life. Help us to plant the seeds of confidence in spiritual things wherever we may go. Assist us to strengthen the bulwark of liberty by a serene trust in the things that cannot be shaken. Help us not to be torn asunder or put to flight by the utterances of little men, but rather enable us to stand strong in the faith that we know is able to encompass and overcome all lesser things, because it is of Thee. We pray in the name of Him who came to make all things new. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 30, 1951, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. HOLLAND, and by unanimous consent, the Subcommittee on Public Roads of the Committee on Public Works was authorized to meet during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

LAW ENACTED BY FIRST GUAM LEGISLATURE

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of a law enacted by the First Guam Legislature (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of July 1951 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON SETTLEMENT OF CERTAIN CLAIMS BY FARMERS HOME ADMINISTRATION

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on claims in excess of \$1,000 which have