

CONGRESS AND THE MARSHALL PLAN

by

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## INTRODUCTION

On June 4, 1947, Secretary of State George C. Marshall arrived in Cambridge, Massachusetts, to deliver a speech at Harvard's commencement exercises the following day. Although the Secretary was to be honored with a Doctor of Laws degree, it was thought that his address might include "an important pronouncement on foreign affairs."<sup>1</sup> Since taking office earlier in the year General Marshall had been involved in a ceaseless round of activity. His most immediate problem was to prepare for the approaching meeting of the Council of Foreign Ministers scheduled to open in Moscow on March 10. Before his departure for the Moscow conference the new Secretary was confronted with a crisis of the first magnitude.

On Friday, February 21, the British Ambassador asked to see General Marshall. Although the Secretary was out of town, the State Department secured a copy of the official note which the Ambassador delivered on the following Monday.<sup>2</sup> The note was to inform the United States that Great Britain could no longer continue financial and advisory aid to Greece and Turkey, and that such aid would be terminated on April 1. The United States response was announced by President Truman on March 12 before a joint session of the Congress. Requesting \$400,000,000 for military and economic aid to Greece and Turkey, the President placed great emphasis upon the "broad implications involved":

One of the primary objectives of the foreign policy of the United States is the creation of conditions in which we and other nations will be able to work out a way of life free from coercion.... We shall not realize our objectives, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose

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<sup>1</sup> New York Times, June 5, 1947, p. 23.

<sup>2</sup> Harry S. Truman, Memoirs, II, p. 99.

upon them totalitarian regimes.<sup>3</sup>

Events in Greece and Turkey provided the administration with an opportunity to crystallize the growing sentiment for a firmer policy in dealing with the Soviet Union. The Truman Doctrine was regarded by the President as "the turning point in American foreign policy,"<sup>4</sup> and it was later elaborated into the policy of containment.

After approval of the aid bill for Greece and Turkey, Congress turned to consideration of the \$350,000,000 relief bill for liberated countries which was to replace United States contributions to UNRRA. Although the administration measure was finally authorized, Congress had displayed reluctance in so doing, and it was reported that House approval for the full sum came only as a concession to Senator Arthur H. Vandenberg.<sup>5</sup> The Sunday New York Times on May 18 carried a front-page story reporting Vandenberg as having indicated that passage of the \$350,000,000 appropriation would complete the foreign relief assistance for the current session.

On April 26, Secretary Marshall returned from Moscow. Two days later he discussed the difficulties encountered at the conference before a nation-wide radio audience. The inability of the Foreign Ministers to make any real progress was, he said, of grave consequence for the future of Europe:

The recovery of Europe has been far slower than had been expected. Disintegrating forces are becoming evident. The patient is sinking while the doctors deliberate.<sup>6</sup>

The \$350,000,000 provided by Congress for post-UNRRA relief would do little

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<sup>3</sup> The Department of State Bulletin, XVI, No. 403, March 23, 1947, pp. 535-536.

<sup>4</sup> Truman, op. cit., II, p. 106.

<sup>5</sup> New York Times, May 18, 1947, Sect. IV, p. 1.

<sup>6</sup> The Department of State Bulletin, XVI, No. 410, May 11, 1947, p. 924.

more than keep people alive; nothing was available to rebuild the economic machinery of the liberated countries. By Spring of 1947, \$11,000,000,000 in various forms had been poured into European countries by the United States.<sup>7</sup> This sum had provided a flow of American goods which was instrumental in preventing disintegration, but expectations that Europe could progress toward recovery without additional aid had proved far too optimistic. It was feared that the British loan, intended to last from three to five years, might be exhausted by the end of 1948.<sup>8</sup> The severe winter that plagued Europe in 1947 gave rise to alarming reports which indicated that the economic gains made since 1945 were in grave danger of being lost. Both the State Department and a coordinating committee, composed of Assistant Secretaries of State, War, and Navy Departments, were engaged in studies of this problem during March and April.<sup>9</sup>

Administration concern with the pressing nature of European reconstruction was first publicly voiced on May 8, when Under Secretary of State Dean Acheson appeared before an influential Southern business group in Cleveland, Mississippi. Speaking first of those "grim developments...with which we are primarily concerned today in the conduct of foreign relations," Acheson then turned to the problem of sustaining and increasing the flow of American exports necessary for recovery. In his discussion of this problem the Under-Secretary advanced what was to become a key feature of the Marshall Plan:

European recovery cannot be complete until the various parts of Europe's economy are working together in a harmonious whole. And the achievement of a coordinated European economy remains a fundamental objective of our foreign policy.<sup>10</sup>

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<sup>7</sup> J. C. Campbell, *et al.*, The United States in World Affairs, 1947-1948, p. 54.

<sup>8</sup> Walter Millis, ed., The Forrestal Diaries, p. 263.

<sup>9</sup> Campbell, *op. cit.*, p. 55. Millis, *op. cit.*, p. 263.

<sup>10</sup> The Department of State Bulletin, XVI, No. 411, May 18, 1947, p. 994.

This shift in emphasis on foreign aid from relief efforts to a program leading to the economic reconstruction of Western Europe was noted by a New York Times columnist on the day following Acheson's Cleveland speech:

...those who went to Moscow have come back convinced that the decisive testing ground for peace and a democratic Europe is in the West, and that the West cannot be sustained by anything but sound economic reconstruction.<sup>11</sup>

The stage then had been carefully prepared for the "important pronouncement on foreign affairs" which Secretary Marshall made at Harvard on June 5, 1947. Beginning with a survey of those conditions which had brought about the breakdown of the European economic mechanism, the Secretary then indicated the interest of the United States in providing assistance which might enable a "return of normal economic health." However, such aid should "not be on a piecemeal basis as various crises develop." Most important of all:

...there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take. ...The initiative, I think, must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of a later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all of the European nations.<sup>12</sup>

Although Marshall's statement was to be of great significance, newspaper coverage of his address was limited by the space given President Truman's fiery denunciation of the Communist coup in Hungary.<sup>13</sup> However, response from abroad was almost immediate. British official opinion "warmly welcomed" the Marshall proposal, and the British government planned "urgent steps" as a follow-up to

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<sup>11</sup> New York Times, May 9, 1947, p. 3.

<sup>12</sup> The Department of State Bulletin, XVI, No. 415, June 15, 1947, pp. 1159-1160.

<sup>13</sup> Campbell, op. cit., p. 417.



the new American approach. A "pointed reminder" was issued, however, by a spokesman for the British Foreign Office, who recalled that his government's policy was to resolutely avoid any course of action which might be interpreted as openly hostile to the Soviet Union.<sup>14</sup> The French government also indicated that it was ready to assume the initiative necessary to translate the Marshall proposal into action, and invitations went out from Paris and London for a conference which would attempt to formulate a comprehensive recovery program.<sup>15</sup>

On July 12, 1947, 14 of the 22 nations which had received invitations assembled in Paris. Any hope that the Soviet Union might work for the recovery of Europe within the framework of the Marshall proposals had been dispelled two weeks earlier. In response to a Franco-British suggestion for a preliminary tripartite meeting, Soviet Foreign Minister Molotov had arrived in Paris on June 22, with an entourage of 89 experts and clerks. According to the Soviet Foreign Minister, any attempt to draw up a comprehensive recovery program would entail intervention in the affairs of individual countries, and, therefore, such a program was not acceptable.<sup>16</sup> Represented at the Paris conference, in addition to the host countries, were Austria, Belgium, Denmark, Eire, Greece, Iceland, Italy, Luxembourg, Norway, Netherlands, Portugal, Sweden, Switzerland, and Turkey. After three days the conference adjourned, having set up the necessary executive and technical committees. Although the United States was not represented at the conference, important officials of the Department of State were present to give "friendly aid."<sup>17</sup>

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<sup>14</sup> *New York Times*, June 7, 1947, p. 6.

<sup>15</sup> Truman, *op. cit.*, II, p. 115.

<sup>16</sup> Campbell, *op. cit.*, pp. 422-424.

<sup>17</sup> *Ibid.*, p. 432.

Even before the Paris meeting there were indications that Department of State planners had arrived at a general understanding on the amount of money which would be required. Appearing before the National Convention of the Junior Chamber of Commerce at Long Beach, California, on June 12, 1947, Mr. Benjamin Cohen, who was Counselor for the Department of State, declared that:

Those who have been studying Europe's rudimentary rehabilitation needs tell us that Europe, including Great Britain, may require as much as five or six billion dollars a year for another three or four years to meet these needs.<sup>18</sup>

Meanwhile, within administration circles there was criticism of "too much loose talk" about the size of the sum which the United States might advance, and a fear that Congress might feel the reconstruction project so vast as to endanger our own economy.<sup>19</sup>

The key figure in Congress was the Michigan Senator, Arthur H. Vandenberg, who was the acknowledged leader in foreign affairs for the Republican majority. On June 13, the Senator had issued a statement which "endorsed in principle" the Marshall proposal. However, he warned against rushing "into improvident or inadequately seasoned plans," and called for:

...a sound over-all inventory of our own resources to determine the latitudes within which we may consider these foreign needs.... I think the situation invites the prompt creation of a special bipartisan advisory council at the highest attainable level....<sup>20</sup>

Vandenberg also passed word to the President that until such a committee was created he would not help with the necessary legislation.<sup>21</sup> Nine days later

<sup>18</sup> The Department of State Bulletin, XVI, No. 416, June 22, 1947, p. 1233.

<sup>19</sup> James F. Byrnes, Speaking Frankly, p. 307. Millis, op. cit., p. 282.

<sup>20</sup> New York Times, June 14, 1947, p. 5.

<sup>21</sup> Arthur H. Vandenberg, Jr., ed., The Private Papers of Senator Vandenberg, pp. 376-377.



President Truman announced the creation of not one, but three special committees which were to study "the relationship between any further aid which may be extended to foreign countries and the interests of our domestic economy."<sup>22</sup> One of these groups was the "nonpartisan committee of distinguished citizens" for which Vandenberg had called. The other two groups were organized within the administration. One, under the direction of the Secretary of the Interior, was to make a study of the country's national resources, while the other dealt with the impact of foreign aid on the domestic economy and was to be a project for the Council of Economic Advisors.

In September, 1947, the completed report of the Committee of European Economic Cooperation was sent to the United States Secretary of State. The total thought to be required for a four-year period was set at \$22,400,000,000 after American spokesmen had advised that an earlier figure of \$29,000,000,000 must be revised if the entire plan was not to be placed in jeopardy.<sup>23</sup> During the next five days the President made public an interim report of the non-partisan Committee on Foreign Aid and announced that the special committees which he had created earlier would make an appraisal of the report of the European Committee.<sup>24</sup> On September 29, President Truman met with important administration and congressional leaders to determine the future course of action.<sup>25</sup> The initiative which Secretary Marshall had asked of European leaders had now been handed back to the United States.

<sup>22</sup> The Department of State Bulletin, XVI, No. 417, June 29, 1947, p. 1297.

<sup>23</sup> Campbell, op. cit., p. 432.

<sup>24</sup> The Department of State Bulletin, XVII, No. 431, October 5, 1947, pp. 688-691.

<sup>25</sup> Truman, op. cit., p. 117.

The first group of technical experts from the Committee of European Economic Cooperation arrived in the United States during the first week of October and began consultations with government officials and members of the nonpartisan Committee on Foreign Aid.<sup>26</sup> On October 18, the White House released the conclusions reached by the special committee under the direction of the Secretary of the Interior, and two weeks later the report of the Council of Economic Advisors was made public by President Truman. These groups advised that both our national resources and our economic system could withstand the impact of a "considerable" foreign aid program. However, both studies indicated that problems would be raised by such key commodities as "wheat, steel, certain items of industrial and agricultural machinery, coal, and fertilizer."<sup>27</sup> One week later the third of the President's special committees submitted its conclusions. Calling for a program costing up to \$17,000,000,000 over four years, the Committee on Foreign Aid placed the cost to the United States for the first year at \$5,750,000,000. The strategic and political nature of United States interest in the economic recovery of Europe was frankly recognized by the committee. It was reported that Congressional reaction to the committee's proposals was generally favorable, and Senator Vandenberg, in particular, praised the committee's work.<sup>28</sup>

Meanwhile President Truman had reluctantly acted to reconvene the Congress. In a statement issued on October 23, the President announced "two compelling reasons" for the special session which would open on November 17. Voicing first his concern over the continued rise in prices, he then announced that:

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<sup>26</sup> The Department of State Bulletin, XVII, No. 432, October 12, 1947, p. 740.

<sup>27</sup> Ibid., XVII, No. 437, November 16, 1947, p. 932.

<sup>28</sup> New York Times, November 9, 1947, p. 1.

It is also necessary for this Government to take adequate steps to meet the crisis in Western Europe, where certain countries have exhausted their financial resources and are unable to purchase the food and fuel which are essential if their people are to survive the coming winter.... It is clear, therefore, that Congressional action cannot be delayed until January.<sup>29</sup>

Congress was generally receptive to the administration's emergency request for \$597,000,000 to be spent for relief in France, Italy, and Austria.<sup>30</sup> Such a program was in the nature of an extension of the bill passed in May for post-UNRRA relief, and was to function as a stop-gap until a recovery program might go into effect. Communist-led strikes in France and Italy were strong incentives for immediate consideration of this interim aid bill, and it was placed before the President just one month after Congress had assembled for the special session.

On December 19, 1947, President Truman placed before Congress the administration's draft of the Marshall Plan. Bearing the title of "Economic Cooperation Act," the draft provided that Congress authorize appropriation of \$17,000,000,000 for the four-year program with \$6,800,000,000 available for the first fifteen-month period running from April 1, 1948, to July 1, 1949. After requesting that consideration proceed as rapidly as possible so as to meet the April 1 target date, the President concluded:

I recommend this program of United States support for European recovery to the Congress in full confidence of its wisdom and necessity as a major step in our Nation's quest for a just and lasting peace.<sup>31</sup>

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<sup>29</sup> The Department of State Bulletin, XVII, No. 435, November 2, 1947, p. 852.

<sup>30</sup> Vandenberg, *op. cit.*, p. 380.

<sup>31</sup> The Department of State Bulletin, XVII, No. 443, December 28, 1947, p. 1243.

## SENATE HEARINGS

On January 8, 1948, the Committee on Foreign Relations of the United States Senate opened hearings on the European Recovery Program under the chairmanship of Senator Arthur H. Vandenberg. The draft legislation before the committee had been submitted with background information by the Department of State on December 19, 1947. Two days prior to the scheduled opening of the hearings the Truman administration announced its acceptance of Senator Vandenberg's proposal for removal of the specific four year total of \$17,000,000,000 from the draft bill. This estimated total was in Senator Vandenberg's words ". . . only an educated guess of highly doubtful validity," and he advised the Department of State that inclusion of any specific figure in the request for authorization of the four year recovery program would be a great mistake.<sup>1</sup> Withdrawal of the administration's request was thought to have been precipitated by criticism alleging that a four year authorization for a specific sum would be an attempt to bind future Congresses and was therefore unconstitutional. This move encountered favorable reception from Representative Charles A. Eaton, chairman of the House Committee on Foreign Affairs, who commented that ". . . the putting of appropriations on a year-to-year basis will materially shorten our hearings and lessen the controversy."<sup>2</sup>

The first witness to appear before the Committee on Foreign Relations was Secretary of State George C. Marshall. At Marshall's side throughout his testimony was Lewis W. Douglas, the United States Ambassador to Great Britain. According to the Department of State memorandum furnished for the committee,

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<sup>1</sup> New York Times, January 6, 1948, p. 1. Arthur H. Vandenberg, Jr., ed., The Private Papers of Senator Vandenberg, p. 385.

<sup>2</sup> New York Times, January 7, 1948, p. 1.

Ambassador Douglas would appear immediately following the Secretary of State's testimony and would ". . . deal with the essential elements of the program, the justification of the program, and the principles governing the operation of the program."<sup>3</sup> Although Marshall's remarks before the committee were confined to general principles, he left little doubt concerning the necessity for an adequate program:

Our assistance, if we determine to embark on this program to aid western Europe, must be adequate to do the job. . . . An inadequate program would involve a wastage of our resources with an ineffective result. Either undertake to meet the requirements of the problem or don't undertake it at all.<sup>4</sup>

Secretary Marshall also indicated that the \$6,800,000,000 required for the first fifteen month period was not just an "asking figure" based upon anticipated reductions prior to approval. Rather, said Marshall, it represented a "realistic appraisal" of the sum required to take western Europe and this country out of the "blind alley" of relief.

Cross-examination of the Secretary revealed the importance which members of the Congress attached to the administration of the recovery program. The draft legislation provided for appointment of a single administrator outside the Department of State.<sup>5</sup> This position was to be equivalent to cabinet rank, and the man chosen to fill it should have the necessary qualifications to enable the Economic Cooperation Administration to function in a "businesslike" manner. Such an administrative organization was, however, in direct conflict with the recommendations of the House Select Committee on Foreign Aid. This group under the defacto chairmanship of Representative Christian A. Herter,

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<sup>3</sup> European Recovery Program, Hearings before the Senate Committee on Foreign Relations, 80th Congress, 2d Session, Part I, p. 10. Hereafter cited as Sen. Hearings, Com. on For. Rel.

<sup>4</sup> Ibid., I, p. 4.

<sup>5</sup> See Appendix A.



Republican, of Massachusetts, had called for the creation of a government corporation to administer the recovery program.<sup>6</sup> Senate concern with the administrative machinery for the program was directed at the nature of the relationship between the Administrator and the Secretary of State. Although the draft legislation had provided for an independent agency, Secretary Marshall flatly stated that: "There cannot be two Secretaries of State." Under questioning by Senator Tom Connally, the ranking Democratic member of the committee, Marshall indicated that in matters of foreign policy the Secretary of State was to exercise paramount influence over the Administrator of the Economic Cooperation Administration. However, the Administrator might appeal an irreconcilable dispute to the President.<sup>7</sup> Marshall felt that: "The organizational structure we have proposed provides a means for giving appropriate direction and control in matters of foreign policy to the Administrator of the ECA with least interference in the businesslike conduct of his task."<sup>8</sup> Senator Vandenberg, however, expressed the view that "the language of this bill is so compelling, it might well result in Department of State interference in the day-to-day operations of the Administrator." Although the Secretary of State conceded that his view might be incorrect, he also stated that he would continue to favor the administrative organization found in the draft legislation.<sup>9</sup>

While Secretary Marshall occupied the stand, criticism of the recovery program draft was mild. When Ambassador Douglas appeared on the following day with his team of experts, the atmosphere had changed. Launching into a more

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<sup>6</sup> United States Foreign Policy for a Post-War Recovery Program, Hearings before the House Committee on Foreign Affairs, 80th Congress, 1st and 2d Sessions, Part I, p. 8. Hereafter cited as House Hearings, Com. on For. Affairs.

<sup>7</sup> Sen. Hearings, Com. on For. Rel., I, p. 19.

<sup>8</sup> Ibid., I, p. 9.

<sup>9</sup> Ibid., I, p. 28.



detailed presentation, Douglas encountered a persistent cross-fire of questioning from committee members. Although often interrupted, the Ambassador's presentation was, in general, favorably received. The committee noted with approval that the draft legislation called for a total initial expenditure which was less than the nonpartisan citizens committee had reported as a minimum figure.<sup>10</sup> However, dissatisfaction continued to be expressed over the administrative structure proposed for the program. Senator Vandenberg pointed to the omission of "... one fundamental specification which is overriding:"

And that is you must create a system in which the American people have confidence or you will be sunk without a trace. . . . Their view is that if they are to be happy they want a new element of business responsibility that will give them a reliance that this program is to be conducted in a businesslike way.<sup>11</sup>

The committee also voiced concern over the status of the Administrator's field representatives in each of the participating countries and the communication channels through which the Economic Cooperation Administration would carry on its functions. The Ambassador's testimony was brought to a climax late that afternoon with an unexpected interjection by Senator Walter George, Democrat, of Georgia:

. . . I do not think that the State Department is justified in presenting absolute alternatives. . . . That is a technique of propaganda that I do not quite appreciate myself. . . . the Secretary of State says that we must do the whole of this or none. Now, I do not know whether, if we reduced it slightly, we would necessarily destroy the whole program.<sup>12</sup>

It was reported that Douglas looked on speechless with the surprised committee members while Senator George re-emphasized his point:

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<sup>10</sup> Ibid., I, p. 112.

<sup>11</sup> New York Times, January 10, 1948, p. 6.

<sup>12</sup> Sen. Hearings, Com. on For. Rel., I, p. 160.

We're told here flatly that \$6,800,000,000 is necessary for the first fifteen months and that we must do the whole thing or no part of it. That is not a proper statement to make before the legislative branch of the government.<sup>13</sup>

Earlier in the day Secretary Marshall had told reporters that rumors predicting his resignation unless the European Recovery Program was approved without real change were completely unfounded.<sup>14</sup> Following Ambassador Douglas's appearance the committee devoted most of one week to testimony from other high government officials. First to appear was Secretary of Commerce William Averell Harriman, who had served as chairman of the nonpartisan President's Committee on Foreign Aid. Although the Senators demonstrated interest in comparison of the Harriman committee's recommendations with the provisions of the draft legislation, the Secretary of Commerce was able to complete his testimony in one afternoon. Secretary of Agriculture, Clinton P. Anderson, and Secretary of the Interior, Julius Krug, were heard on the following day. Both agreed that the recovery program would not drastically affect the American economy, and Anderson told the committee that there was no connection between the recovery program and President Truman's request for standby controls over foodstuffs in short supply.<sup>15</sup> Financial machinery for the operation of the Marshall Plan was explained by Secretary of the Treasury John W. Snyder and the Chairman of the Board of Directors of the Export-Import Bank. Snyder discussed the procedure which would employ the experience and facilities of the Export-Import Bank to handle the loan element in the recovery program. Under questioning from Chairman Vandenberg, Secretary Snyder indicated that he subscribed to earlier testimony which had placed 20 to 40

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<sup>13</sup> New York Times, January 10, 1948, p. 1.

<sup>14</sup> Ibid., p. 6.

<sup>15</sup> Ibid., January 14, 1948, p. 1

percent of the requested funds in the category of loans subject to repayment. The committee expressed serious concern over the failure of the draft legislation to utilize privately owned investments held in this country by citizens of participating countries.

Military aspects of European reconstruction were discussed by Secretary of the Army, Kenneth C. Royall, and his superior, Secretary of Defense, James V. Forrestal. Royall explained that the administration of the recovery program in western Germany was to be handled by the military government, but that allocation of funds for that purpose would be determined by the Economic Cooperation Administration. In response to questions, Secretary Royall stated that in the absence of the recovery program his department would feel additional military appropriations to be required. When pressed to indicate the magnitude of these additional requests, the Secretary gave a figure of \$2,250,-000,000 which he said represented the reduction made in combined Army-Air Force initial requests because of the recovery program.<sup>16</sup> Royall also warned that the present system of voluntary enlistment would not be adequate to secure the man-power necessary for a stronger defense establishment. Later in the afternoon Secretary of Defense Forrestal said that he thought an increase of 25 to 50 percent over current military appropriations would be required if there were to be no recovery program.<sup>17</sup>

On January 16, the committee, having concluded its examination of high government officials, turned to the second phase of its hearings. Great interest was displayed in the testimony given by the first witness, John J. McCloy, President of the International Bank for Reconstruction and Development.

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<sup>16</sup> Sen. Hearings, Com. on For. Rel., I, pp. 470-471.

<sup>17</sup> Ibid., I, p. 485.

McCloy described the procedure used by his organization for insuring that loans were utilized only for the purpose granted. At the conclusion of his testimony, Senator Vandenberg noted that: "If we could establish a system of following our dollars abroad to see that we're getting our money's worth, half the criticism of this program would disappear."<sup>18</sup>

On the following Monday the first of "four or five top-level business executives of the country," which Senator Vandenberg had suggested for the role of aggressive witnesses, appeared before the committee.<sup>19</sup> Outlining an eleven-point program of his own, Bernard M. Baruch urged that Congress base the recovery plan on a guaranteed market in the United States for the world's raw materials and an all-out production effort in this country. Baruch's proposals also involved the revival of wartime controls on food, prices, and wages, and a fifty percent restoration of wartime excess profits taxes.<sup>20</sup> The witness then produced his recommendations for a new "operating authority" to handle administration of the program. This agency should function in a manner similar to the Tennessee Valley Authority and would be preferable to the creation of a new government corporation under control of a board of directors. Mr. Baruch also stated that the administrative proposals in the draft legislation were unsatisfactory. Referring to the Department of State as a "think" rather than a "do" agency, he said that the administrative authority should function apart from Department of State officials in its overseas operations but should maintain close liaison with our embassies abroad.<sup>21</sup>

The Republican advisor to the Secretary of State was the featured witness

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<sup>18</sup> New York Times, January 17, 1948, p. 1.

<sup>19</sup> Vandenberg, op. cit., p. 383.

<sup>20</sup> New York Times, January 20, 1948, p. 1.

<sup>21</sup> Sen. Hearings, Com. on For. Rel., II, pp. 563-564.

on the next day. Stressing that economic integration of western Europe should be an explicit objective of the Marshall Plan legislation, John Foster Dulles said that he would not attempt to justify the administration's request for \$6,800,000,000. However, he also issued a warning:

I am confident that if in the name of economy the European Recovery Program is abandoned, or made inadequate, that will involve our nation in future costs far greater than any present saving.<sup>22</sup>

As the hearings continued, solid backing for the Marshall Plan was expressed by representatives of four leading veterans organizations. Their testimony was overshadowed by the recommendations of former President Hoover.

Although unable to appear in person, Hoover submitted his views in a letter to Senator Vandenberg. Striking out at the concept of a continuing four year program, the former President called for a \$3,000,000,000 plan extending over 15 months and placing emphasis upon consumption goods "... which are essential to maintain life." "I believe," said Hoover, "the American people are perfectly willing to give these commodities as a gift to those countries who cannot pay for them."<sup>23</sup> Capital goods should be financed through reliably secured loans from the Export-Import Bank or the International Bank for Reconstruction and Development. Associates stated that Mr. Hoover was in general agreement with the figure of \$1,000,000,000 proposed in the draft legislation for capital goods.<sup>24</sup> Under Hoover's program western European requirements for capital goods would be paid out of increased productivity. Republican supporters of the administration draft expressed grave

<sup>22</sup> Ibid., II, p. 591.

<sup>23</sup> Ibid., II, pp. 707-712.

<sup>24</sup> New York Times, January 22, 1948, p. 1.



concern that the former President's criticism might have served as a rallying point for the loosely organized opposition forces. President Truman quickly released a statement flatly rejecting the Hoover proposals. He was supported by Senator Vandenberg's assertion that a four year commitment was an indispensable factor in the recovery plan.<sup>25</sup> Minority Leader, Alben W. Barkley, a member of the Senate Committee on Foreign Relations, also disagreed with the Hoover recommendations, and said he planned to subject them to cross-examination using the mails if necessary. Meanwhile, it was reported that a group of about twenty Republican senators, including heads of several powerful committees were meeting to draw up a revised European Recovery Program.<sup>26</sup> Their strategy centered around the drafting of amendments which they hoped would be acceptable to Senator Vandenberg. If this line of action proved unsuccessful a fight on the floor of the Senate would be unavoidable. Reports indicated that leadership in the revisionist camp would focus around Senator Robert A. Taft, Republican, of Ohio, and that major emphasis would be placed upon proposals tightening-up the provisions of the draft legislation. It was also thought that a substantial reduction would be sought in the size of the initial fifteen-month authorization.

Another potential trouble spot was the integration of western Germany into the recovery program. Criticism of the Department of the Army's administration of the United States zone was heard from John Foster Dulles. Dulles charged that the military government, under the direction of General Lucius D. Clay, was operating its zone along strict nationalistic lines in defiance of

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<sup>25</sup> *Ibid.*, January 23, 1948, p. 1.

<sup>26</sup> *Ibid.*, January 18, 1948, Sect. IV, p. 1.  
Vandenberg, op. cit., pp. 384-385.



the Marshall Plan principle of cooperation and collaboration among the nations of western Europe.<sup>27</sup> According to Dulles, the transfer of administrative operation of western Germany to the Department of State was imperative, and should be accomplished at the earliest possible time. The Secretary of the Army responded with a statement on the following day charging that Dulles was "pitifully uninformed," and insisting that both the Department of the Army and General Clay were unqualifiedly supporting the recovery program.<sup>28</sup>

On Friday, January 23, representatives of organized industry and labor came before the committee to register support for the objectives of the Marshall Plan. Present from the National Association of Manufacturers was Curtis E. Calder, chairman of the board of Electric Bond and Share Co., whose statement emphasized the necessity for inclusion of ten additional conditions "calculated to protect American interests." Number six stipulated that:

The nations receiving economic aid from the United States should not undertake further nationalization programs or initiate projects which have the effect of destroying or impairing private competitive enterprise.<sup>29</sup>

Endorsing the plan for the American Federation of Labor was its president, William Green. Both of these witnesses, however, indicated disagreement with the administrative machinery proposed by the draft legislation and favored a more independent agency which would coordinate with the Department of State on matters of foreign policy. Similar views were expressed by former Secretary of War, Robert P. Patterson, the Chairman for the Committee on the Marshall Plan, and Paul G. Hoffman, Chairman, Committee for Economic

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<sup>27</sup> New York Times, January 22, 1948, p. 3.

<sup>28</sup> Loc., cit.

<sup>29</sup> Sen. Hearings, Com. on For. Rel., II, p. 813.

## Development.

Prior to calling the next morning's first witness, Chairman Vandenberg placed a report from the Brookings Institution before the committee. He said he had requested late in December that the project be undertaken in order to have available "an objective study by an independent research agency of the highest standard."<sup>30</sup> The report called for the creation of a new agency under a single Administrator of cabinet status. It should have a noncorporate form, but the Administrator would have the benefit of an advisory board of eminent citizens which would exercise no administrative responsibilities. In general, the decisions of the Administrator would be final in economic matters, and he would also be charged with the necessary negotiations with foreign governments relating to operations under the recovery program. The Secretary of State would have the prerogative of requesting information from the Administrator, and he might register objection against contemplated action whenever, in his judgment, such matters "have an important bearing on the conduct of foreign policy."<sup>31</sup> Reports indicated that release of the Brookings study had sharply undercut the administrative proposals found in the draft legislation.<sup>32</sup> Several days later Secretary of State Marshall told a news conference that the Brookings proposals were quite acceptable, and on the following day President Truman said that he saw little difference, except for minor details, in the Brookings recommendations and those contained in the draft legislation.<sup>33</sup>

Meanwhile, opposition was crystallizing against Secretary Marshall's continued insistence upon the "precision estimate" of \$6,800,000,000 needed for

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<sup>30</sup> *Ibid.*, II, p. 855.

<sup>31</sup> *Ibid.*, II, pp. 855-859.

<sup>32</sup> *New York Times*, January 25, 1948, p. 18.

<sup>33</sup> *Ibid.*, January 30, 1948, p. 3.

the initial 15 months operation. Faced with the possibility of heavy cuts in the authorization for this initial period, Republican supporters of the Marshall Plan were said to be developing a formula that would reduce authorized expenditures for such operations to \$5,500,000,000. Advocates of this compromise solution argued that such a reduction would not affect the actual disbursements for the initial period. They pointed to President Truman's statement that no more than \$4,500,000,000 would be spent during the first 15 months because of the extensive organizational work required to get the program under way. The additional \$2,300,000,000 requested had been asked as "forward obligating authority" which was to be available for commitment to advance purchasing. On January 29, former Senator Robert M. La Follette, Jr. and Richard M. Bissell appeared before the Senate Committee on Foreign Relations as representatives of the President's Committee on Foreign Aid. After pointing out that ". . . experience with these programs has proven that disbursement actually lags behind physical shipment (of goods) in many cases," Bissell said that if the entire "gap" of \$2,300,000,000 represented only forward obligating authority for goods not yet shipped, he thought the amount to be excessive.<sup>34</sup> If, however, the gap figure represented, in part, goods already shipped for which there was a contractual obligation not yet discharged by Department of Treasury disbursement, that was a different matter. Seizing upon one portion of Bissell's testimony, newspapers carried stories emphasizing that Harriman committee spokesmen had labeled the \$6,800,000,000 figure as excessive. Reports indicated that a minimum cut of \$1,000,000,000 appeared certain.<sup>35</sup> President Truman responded with a

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<sup>34</sup> Sen. Hearings, Com. on For. Rel., II, p. 987.

<sup>35</sup> New York Times, January 29, 1948, p. 1.

vigorous defense of the original amount requested, declaring that the full \$2,300,000,000 margin was absolutely essential for maintaining the uninterrupted flow of goods to Europe. Anything less would reduce the recovery program to a relief project. When asked by reporters if his position was one of "all or nothing," the President replied in the affirmative.<sup>36</sup> Earlier that day the administration position had been strengthened by a letter from John J. McCloy which was placed before the Senate Committee on Foreign Relations. Although McCloy admitted that "... no figure can, therefore, be put forward with conviction as representing an exact estimate of the amount of financial assistance required," he thought it fair to say that "... the amount recommended for appropriation by the administration is conservative."<sup>37</sup>

Meanwhile, the opposition group of Republican senators, now meeting at the Washington home of Senator Reed of Kansas, had announced agreement upon the changes which they hoped to make in the recovery legislation.<sup>38</sup> Their spokesman, Senator Joseph H. Ball of Minnesota, called for a complete shift in the emphasis underlying the Marshall Plan "from the underwriting of trade deficits to the support of specific production programs." Under this approach continued financial aid would be contingent upon increased European output of food, coal, steel, and transportation facilities. Senator Ball said such a program was designed "... to increase the chances of Europe's becoming self-supporting and to decrease its chances of going on a permanent dole."<sup>39</sup> Among the list of revisions proposed by the opposition group were the creation of a joint-congressional "watchdog" committee and the withholding of aid from

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<sup>36</sup> Ibid., January 30, 1948, p. 1.

<sup>37</sup> Sen. Hearings, Com. on For. Rel., III, p. 1003.

<sup>38</sup> See Appendix B.

<sup>39</sup> New York Times, January 30, 1948, pp. 1-2.

countries where it appeared that such funds might be utilized to further the nationalization or socialization of industry. It was reported that some of those endorsing the proposed revisions were opposed to the recovery program in any form, but they had agreed to support the changes at the amending stage of the floor debate. Indicative of the attitude of some of the "revisionists" was Senator Clyde M. Reed's reply to one question put to him by a reporter: Would not the subordination of the Department of State to the Administrator in the operation of the recovery program violate the constitutional prerogatives of the President relative to the conduct of foreign policy? "The answer to that is, 'we don't give a damn,'" said Senator Reed.<sup>40</sup> Earlier that same day Senator Raft, in answer to President Truman's demand for "all or nothing," had asserted that ". . . there certainly will be some cut in the amount."<sup>41</sup> One week later a four member revisionist delegation, headed by Senator Ball, placed their proposals before Senator Vandenberg behind closed doors. According to reports, the delegation received no encouragement respecting those revisions designed to effect the basic approach of the draft legislation.<sup>42</sup> Senator Vandenberg indicated that he had no comment on his meeting with the group.

On January 31, Richard M. Bissell, Jr., who had appeared for the Harri-man committee with former Senator La Follette, was recalled by the committee. When asked to clarify his previous remarks on the nature of the \$2,300,000,000 gap or margin figure, Bissell said that \$1,500,000,000 of this figure represented goods which would be shipped during the initial fifteen-month period but still unpaid due to the lag in disbursements. The remaining \$800,000,000

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<sup>40</sup> Loc. cit.

<sup>41</sup> Loc. cit.

<sup>42</sup> Ibid., February 8, 1948, p. 31.



represented the sum available as forward obligating authority.<sup>43</sup> Other moves aimed at counteracting the influence of the Republican revisionist group included a press interview by Senator Tom Connally, the ranking Democratic member of the Committee on Foreign Relations. The Senator predicted that efforts to bring about substantial alterations in the draft bill would fail because: "They don't have the votes."<sup>44</sup> The administration also acted to remove one of the complaints of the revisionists by announcing, through the National Security Council, that foreign assets blocked under wartime freezing orders were to be released for the benefit of the participating countries. According to newspaper reports, Senator Vandenberg was moving behind the scenes in an attempt to reach agreement on a reduction of \$1,000,000,000 in the administration's request, but had been unable to gain assurance from certain other Republican leaders that the program would be protected from heavier reductions on the Senate floor or in conference with House leaders.<sup>45</sup>

A pointed reminder of the necessity for early congressional action on the European Recovery Program was issued by Secretary Marshall in his February 4 news conference. Marshall said that unless approval was forthcoming by April 1, a vacuum would occur in the pipeline of goods and materials to western Europe. Senator Vandenberg expressed confidence that Congress would complete action by the deadline, but Senator George said he did not share Vandenberg's outlook. Reservations were also expressed by the chairman of the House Committee on Foreign Affairs, who said that his group would not be ready to report a bill until after April 1.<sup>46</sup>

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<sup>43</sup> Sen. Hearings, Com. on For. Rel., III, pp. 1167-1168.

<sup>44</sup> New York Times, February 2, 1948, p. 1.

<sup>45</sup> Ibid., February 4, 1948, p. 16.

<sup>46</sup> Ibid., February 5, 1948, pp. 1, 12.



On February 5, four weeks of public hearings before the Senate Committee on Foreign Relations were brought to a close. The Chairman said he was hopeful that the legislation could be reported out of committee about February 20. The hearings had revealed widespread support for a European Recovery Program with substantial opposition limited to a small minority of those called to testify. Among those sharply critical were the financial editor of Newsweek, the president of the National Economic Council, Inc., and the American Coalition of Patriotic Societies. Numerous representatives from the maritime industry expressed complete dissatisfaction with provisions in the draft legislation designed to hold down shipping costs through utilization of merchant crews and ships from the participating countries. Another witness representing the National Retail Farm Equipment Association was concerned about the supply of power equipment for American farmers, and suggested that horse-drawn machinery was more suitable for European conditions. However, major farm organizations such as the National Grange and the American Farm Bureau went on record as favoring the Marshall Plan legislation. Spokesmen for the American Labor Party and the National Farmers union opposed the European Recovery Program as a unilateral action and demanded that it be placed under control of the United Nations.

Meeting in executive session on February 10, the Committee on Foreign Relations voted unanimously to adopt the Brookings Institution recommendations for the organizational machinery of the recovery plan.<sup>47</sup> The necessary administrative agency was to follow the model of the Atomic Energy Commission, and the advisory board was to be advisory in fact and without directive authority.

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<sup>47</sup> Ibid., February 11, 1948, p. 1.

Two days later the committee, under Chairman Vandenberg's direction, added a separate overriding provision making the continuance of aid contingent upon the "continuity of cooperation" among the participating countries. The committee also adopted new and more specific language spelling out conditions and means for the termination of aid. Chairman Vandenberg maintained "with some vigor" that the committee had to date approved nothing that was contrary to the original concept of the Marshall Plan. His strategy was rather to whittle away at criticisms of the revisionists by inserting provisions that would tighten-up the draft bill.<sup>48</sup> After five days of closed-door meetings, the committee announced approval of a four year recovery program with \$5,300,000,000 to be made available for the first twelve months operations. This initial authorization for a twelve month period ending April 1, 1949, was an exact relative figure to the \$6,800,000,000 which had been requested for a 15-month period.<sup>49</sup> Again Vandenberg had acted to mitigate the influence of the opposition; however, he denied that he had any understanding with Chairman Styles Bridges of the Committee on Appropriations.<sup>50</sup> Reduction of the initial period of operation, said Vandenberg, would allow the new Congress to review the program early in its first session. Approval of the authorization concluded the committee's tentative approval of the draft bill, and the chairman announced adjournment until February 17, when a meeting would be held for a vote on reporting the bill.

Reaction to the recovery program in its tentative form was still not entirely favorable. Senator Taft said that \$5,300,000,000 was still too large,

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<sup>48</sup> Vandenberg, op. cit., pp. 388-389.  
 New York Times, February 13, 1948, pp. 1, 8.

<sup>49</sup> Cong. Rec., 80th Cong., 2d Sess. p. D87.

<sup>50</sup> New York Times, February 14, 1948, p. 1.

and predicted a reduction. Senator Reed felt the amount to be "... larger than we think it ought to be," and foresaw the introduction of an amendment cutting the authorization to about \$4,000,000,000. Another revisionist, Senator Kenneth S. Wherry of Nebraska, called the twelve month authorization a move to "pick up a few votes." On the other side of the chamber Senator Connally said he found little opposition to the committee bill among Senate Democrats.<sup>51</sup> Before reporting the bill the committee took one other step advocated by Senator Taft. On February 17, Senator Eugene D. Millikin, chairman of the Finance Committee, appeared before the Committee on Foreign Relations with a proposal directing that \$3,000,000,000 of the estimated budget surplus for the 1948 fiscal year be set aside for financing the initial operations of the Marshall Plan. Its effect would be to postpone Truman administration plans for the retirement of a like amount of public debt, and also to create a more favorable atmosphere for the contemplated Republican tax cut. Although admittedly a bookkeeping operation, acceptance of the proposal was regarded as strengthening prospects for passage of the recovery legislation without substantial modification.<sup>52</sup> With the opening of debate scheduled for March 1, the members of the committee concluded their responsibilities as draftsmen and prepared to assume the task of management on the Senate floor.

#### HOUSE HEARINGS

Hearings before the Committee on Foreign Affairs of the House of Representatives had opened on December 17, 1947. The initial witness was

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<sup>51</sup> Ibid., February 15, 1948, pp. 1, 29.

<sup>52</sup> Ibid., February 18, 1948, p. 1.

Representative Christian A. Herter, vice-chairman of the House Select Committee on Foreign Aid. This group had been formed to study policy issues which needed to be resolved prior to the drafting of a European Recovery Program.<sup>1</sup> The select committee was organized with representatives from each of the major standing committees concerned with problems of foreign aid. Although under the nominal chairmanship of Representative Charles A. Eaton, chairman of the Committee on Foreign Affairs, the group sailed for Europe late in August of 1947 under Representative Herter's direction and became popularly known as the Herter committee. This committee returned on October 10, and early in November first released certain "Agreed Points on Principles of Foreign Aid." At this time the proposal for a corporate administrative body first made its appearance:

The administration of any foreign-aid program requires the setting up of a new authority in a corporate form over which congressional control would be maintained by the regular review of its funds and operation. This authority should have a bipartisan board of directors appointed by the President and confirmed by the Senate.<sup>2</sup>

On November 25, 1947, Herter introduced a bill embodying the administrative proposals of the select committee. In his appearance before the Committee on Foreign Affairs he asked that first priority be given to consideration of the required organizational form rather than to the amount which might be needed to finance a recovery program.<sup>3</sup> After hearing Herter, the committee ended public testimony until the opening of the new session in January.

The hearings were re-opened on January 12, 1948, with Secretary of State

<sup>1</sup> European Recovery Program, Sen. Doc. 111, 80th Cong., 1st Sess. p. 6.

<sup>2</sup> Ibid., pp. 133-134.

<sup>3</sup> House Hearings, Com. on For. Affairs, I, p. 7.

Marshall leading the parade of high government officials appearing before the committee. With few exceptions their testimony paralleled that which they had given only a few days earlier before the Senate Committee on Foreign Relations.<sup>4</sup> Several of the witnesses concluded their testimony before the Senate committee just in time to hurry over to appear before the House group. Ambassador Douglas, in the role of major spokesman for the Department of State draft legislation, was perhaps the busiest man in the Capitol as he attempted to adjust his schedule to conform with those of the two congressional committees. By January 27, the House committee had concluded testimony from high administration officials, and it then began five weeks of testimony from representatives of interested groups outside the government. By the end of February it had become increasingly apparent that the committee was going through the motions necessary to complete public hearings. Criticism of the recovery legislation by such witnesses as Ernest T. Weir, chairman of the National Steel Corporation, provoked little response from the committee, and no more than five members were present at any one time on the day that Weir and other critics appeared.<sup>5</sup> On February 26, Chairman Eaton announced his approval of the \$5,300,000,000 figure in the Senate bill, and he predicted that his group would report a bill out by the middle of March. One day later Representative Herter and other members of the select committee came before the Committee on Foreign Affairs with their recommendations. A ceiling of \$4,500,000,000 for first year European recovery expenditures headlined the group's proposals. Such a figure was the lowest yet advocated by any official

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<sup>4</sup> See Senate Hearings.

<sup>5</sup> New York Times, February 26, 1948, p. 4.



source, and Herter was reported to have a large following in the House of Representatives.<sup>6</sup> Other recommendations in the Herter report included a provision requiring that at least one-third of all Marshall Plan aid should consist of repayable loans channeled through the Export-Import Bank. The select committee continued to advocate a corporate type administrative organization.

Further complications appeared in the form of a growing disposition in the House of Representatives to link new aid for China and further assistance to Greece and Turkey to the House bill on European Recovery. Speaker of the House Joseph W. Martin said his personal view was that such a procedure would be followed. When asked whether an effort would be made to take action on the floor of the House before April 1, Martin replied that he was unaware of any obligatory date for passage of the recovery legislation.<sup>7</sup> Meanwhile, on the other side of the Capitol, Senator Vandenberg said that the Communist coup in Czechoslovakia and mounting pressure on Finland had made prompt congressional action on the European Recovery Program imperative. Although anxious to coordinate its timetable with that of the House, Chairman Vandenberg said its failure to advise his committee of its schedule made it necessary for the Senate to move ahead on its own. March 15, two weeks after the opening of floor deliberations, was set as the target date for final Senate action.<sup>8</sup> On March 1, the House Committee on Foreign Affairs adopted a resolution proposing immediate executive sessions directed toward the drafting of legislation for a European Recovery Program. One week later it was reported that leaders in

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<sup>6</sup> Ibid., February 28, 1948, p. 1.

<sup>7</sup> Ibid., February 29, 1948, pp. 1-4.

<sup>8</sup> Loc. cit.



the House thought final passage might come around the middle of April. The administration responded by sending Secretary Marshall, accompanied by Under-Secretary Lovett and Ambassador Douglas, to call on Speaker Martin with a personal appeal for all possible speed. Martin gave no assurance aside from a personal expression of confidence that final action on the recovery legislation would be completed before April 10.<sup>9</sup> He did, however, arrange for a meeting of House and Senate leaders in order that closer coordination on the legislation might be achieved.

The major stumbling block in effecting such coordination was the continuing desire of the House Committee on Foreign Affairs to report an omnibus bill including areas outside the scope of the Marshall Plan. Under Senator Vandenberg's leadership the Senate Committee on Foreign Relations had centered its attention on the European Recovery Program, and was not scheduled to deal with other aid proposals before April 10.<sup>10</sup> Any demand for a package foreign aid bill would therefore have the effect of postponing final action on the Marshall Plan until late spring or early summer. In an attempt to expedite House consideration members of the Committee on Foreign Affairs met with Speaker Martin and Majority Leader Charles A. Halleck. Following this conference Chairman Eaton said his committee would not necessarily be bound by its earlier decision to report an omnibus bill. There were, however, indications that the Chairman might not be speaking for a majority of his committee, and he conceded that there was "tremendous opposition" to separate recovery legislation.<sup>11</sup> On March 11, House leaders and Republican members of the

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<sup>9</sup> New York Times, March 9, 1948, p. 1.

<sup>10</sup> Ibid., p. 13.

<sup>11</sup> Ibid., March 10, 1948, pp. 1, 10.

Committee on Foreign Affairs agreed to report all foreign aid measures in a single bill with two titles. The first section would be composed of the European Recovery Program and the \$570,000,000 requested by the administration for economic aid to China. A second title would include the \$275,000,000 request for continued military aid to Greece and Turkey plus an undetermined and unrequested amount for military assistance to China. Such a policy was in line with rather consistent Republican strategy in the House aimed at a long-range assistance program for China.<sup>12</sup>

Indications that the Truman administration felt a delay beyond the April 1 deadline to be inevitable were substantiated by a letter from President Truman to Speaker Martin. Calling attention to the ". . . danger that a break in the supply pipeline will occur between the end of the Interim Aid Program, . . . and the start of any program which could be authorized under the European Recovery legislation," the President asked for an additional \$55,000,000 to be allocated on the same basis as the original interim aid appropriation.<sup>13</sup> Administration circles now began to concentrate on a revised deadline which emphasized the necessity for congressional approval before the critical Italian election of April 18. On March 15, the approved Senate version of the European Recovery Program was sent to the House of Representatives and referred to the Committee on Foreign Affairs, and the committee announced morning, afternoon, and night sessions to hasten drafting of their bill. A move by Democratic members of the committee to report the Senate bill for immediate floor consideration was defeated by the Republican majority. Three days later the committee

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<sup>12</sup> Ibid., March 14, 1948, Sect. IV, p. 1.

<sup>13</sup> Ibid., March 12, 1948, p. 2.

indicated that it would stand by the \$5,300,000,000 European Recovery Program. However, a provision was inserted requiring that \$1,000,000,000 of the total be advanced in the form of added loan authority to the Export-Import Bank, thereby reducing the required authorization for appropriations to \$4,300,000,000.<sup>14</sup> The committee draft sidestepped a decision on the administrative machinery for the program by stipulating that the Administrator should exercise his discretion in determining the necessary organizational form. This compromise was thought to be a means of avoiding alienation of the Herter supporters while leaving the way clear for restoration of the independent agency during the conference meetings over resolution of House and Senate differences.<sup>15</sup>

The House Committee on Foreign Affairs completed action on the omnibus foreign aid bill on March 19. Following another unsuccessful Democratic attempt to restrict the draft to a European Recovery Program, the minority issued a statement protesting the hurried consideration of aid to China, Greece, and Turkey. They said they had voted to report the package bill "... against our better judgment."<sup>16</sup> In addition to the recovery program the committee bill carried authorizations of \$275,000,000 for continued military assistance to Greece and Turkey, and \$570,000,000 for aid to China; \$120,000,000 of the Chinese total was earmarked for military assistance. On March 22, the Committee on Rules met in closed session to determine arrangements for the floor debate. Representative Eaton appeared before this group to request that general debate on the legislation be limited to ten hours. By prearrangement with the House leadership the rules group ordered a fifteen

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<sup>14</sup> Cong. Rec., 80th Cong., 2d Sess., p. D182.

<sup>15</sup> New York Times, March 18, 1948, p. 6.

<sup>16</sup> Ibid., March 20, 1948, p. 1.

hour debate.<sup>17</sup> This procedure contemplated introduction of the bill on Tuesday, March 23, with the measure ready for amendment on the following Monday.

#### SENATE FLOOR ACTION

Senate floor action on the European Recovery Program had been initiated on Monday, March 1, by Senator Vandenberg in his capacity as chairman of the Committee on Foreign Relations. Speaking before packed galleries, Vandenberg began by issuing a sharp challenge to his colleagues: "The greatest nation on earth either justifies or surrenders its leadership. We must choose." He then moved into a frank assessment of the uncertainties inherent in the recovery program:

There are no blueprints to guarantee results. We are entirely surrounded by calculated risks. I profoundly believe that the pending program is the best of these risks. I have no quarrel with those who disagree, because we are dealing with imponderables. But I am bound to say to those who disagree that they have not escaped to safety by rejecting or subverting this plan. They have simply fled to other risks, and I fear far greater ones. For myself, I can only say that I prefer my choice of responsibilities.<sup>1</sup>

Casting a "sidelong glance" towards Senator Taft, Vandenberg said the recovery program ". . . strives to help stop World War III before it starts."<sup>2</sup> The specific figure which the committee recommended for authorization ". . . was in no sense a stab in the dark," but rather ". . . was sustained by the most complete studies and surveys I have ever seen in a congressional committee. . . . At the very least it is entitled to a presumption of relative dependability until more competent authority competently proves otherwise."<sup>3</sup> Senator

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<sup>17</sup> Ibid., March 23, 1948, p. 9.

<sup>1</sup> Cong. Rec., 80th Cong., 2d Sess., p. 1915.

<sup>2</sup> New York Times, March 2, 1948, p. 2.

<sup>3</sup> Cong. Rec., 80th Cong., 2d Sess., p. 1919.

Vandenberg also stressed the value of the opportunity for an early assessment of Marshall Plan operations. Then more seasoned and informed judgments might be made: "Next January is not too long to wait for the accounting with so much at stake."<sup>4</sup>

Summing up with seven key points, Vandenberg concluded his address with these words:

There is only one voice left in the world, Mr. President, which is competent to hearten the determination of the other nations and other peoples in western Europe to survive in their own choice of their own way of life. It is our voice.<sup>5</sup>

Senators and spectators alike came to their feet with thunderous applause, and almost the entire membership of the Senate converged on Vandenberg's desk with offers of warm congratulation. Despite floor rules the presiding officer made no attempt to restore order, and he too joined in the applause.<sup>6</sup> At the conclusion of the enthusiastic reception accorded the report of the Committee on Foreign Relations, Senator Kenneth S. Wherry, the majority whip, joined Senator Vandenberg in a request for prompt submission of contemplated amendments. Senator Wherry then announced plans for a recess until the following day.

The resumption of Senate floor action on Tuesday began with a series of questions addressed to Senator Vandenberg by the majority whip and several of his colleagues. An effort to challenge the four year authorization as precedent-breaking was rebuffed by Democratic and Republican supporters of the legislation. In response to a question from Senator Wherry, Vandenberg said he did not think it possible to work out a formula which would restrict the export of scarce products such as steel and wheat. This statement met a cold

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<sup>4</sup> Loc. cit.

<sup>5</sup> Cong. Rec., 80th Cong., 2d Sess., p. 1920.

<sup>6</sup> New York Times, March 2, 1948, p. 1.



reception, however, and Senator Wherry announced that: "I think it proper to write into this bill a prohibition against the export of such materials in excess of a certain amount during this period."<sup>7</sup> A request for the insertion of a provision into the bill which would require funds accumulated in participating countries to be used for currency stabilization was not favorably received by Vandenberg, and a question from Senator James R. Kem, Republican, of Missouri, provoked a sharp answer from the chairman of the Committee on Foreign Relations. Asked whether there was any reasonable assurance that the recovery legislation would prevent the spread of Communist infiltration, Senator Vandenberg replied: "Can the Senator from Missouri give me any reasonable assurance as to what the plans of the Politburo are in the Kremlin tonight regarding their conquest of the West? If he can give me a reasonable assurance, I shall try to reciprocate it."<sup>8</sup>

This line of questioning was continued by a leading spokesman for the revisionist Republicans, Senator Joseph H. Ball of Minnesota. He began by commenting that in the newspaper coverage of Senator Vandenberg's speech ". . . every headline that I saw was to the effect that 'Vandenberg urges ERP in order to prevent world war III!'" Vandenberg responded with the assertion that he did not write the headlines.<sup>9</sup> Senator Ball then questioned the relation of economic stability to the curtailment of Soviet expansion:

. . . it has seemed to me that the economic situation of the people who one by one were pulled behind the iron curtain had very little to do with what actually happened to them; . . . The Communist ideologies have no appeal to any people who have ever known freedom, however hungry they may be.

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<sup>7</sup> Cong. Rec., 80th Cong., 2d Sess., pp. 1971-1974.

<sup>8</sup> Ibid., p. 1982.

<sup>9</sup> Loc. cit.

The serious thing about the (recovery) program is that I see no signs that the administration has any policy or program, either individually or in concert with other individual nations, or through the United Nations, to solve that problem of pure Soviet power aggression.<sup>10</sup>

After listening to Senator Vandenberg reply that he expected Senator Ball to ". . . argue himself into substantial agreement with my own point of view before he is finished," the Minnesotan closed the debate for the day with a more emphatic reiteration of his earlier statement: ". . . we have been trying to stop this ruthless Soviet power-aggression with dollars and we haven't even slowed it up."<sup>11</sup> Later that evening a group of revisionist Republicans agreed to submit an amendment designed to provide for mutual defense pacts among the free nations of the world.<sup>12</sup>

Debate on Wednesday began with an informal discussion of an amendment which Senators Ball, Wherry, Hawkes of New Jersey, and Cain of Washington planned to submit. Some difficulties were encountered because the proposal could not be printed and formally debated until the following day. However, Ball had handed a copy to Vandenberg, and the discussion began with an exchange between Senator Henry Cabot Lodge, a Republican member of the Committee on Foreign Relations, and the Senator from Minnesota. Although he said he did not desire to debate the proposal at the present time, Senator Vandenberg began to question Senator Ball. According to its sponsor, the amendment called for the creation of a new Supreme Council outside the United Nations which would handle the functions originally conceived for the Security Council. Vandenberg responded with the comment that Senator Ball was ". . . a little

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<sup>10</sup> Cong. Rec., 80th Cong., 2d Sess., p. 1985.

<sup>11</sup> New York Times, March 3, 1948, p. 1.

<sup>12</sup> Loc. cit.

more internationalist than I am."<sup>13</sup>

"I suspect I am," said Senator Ball. "I think I probably always have been."

"Until the Senator confronted the Marshall Plan," taunted Vandenberg.

"I do not think, by any means, that the test of internationalism is a Senator's willingness to spend American resources anywhere in the world," replied Senator Ball.

"I agree," said Vandenberg, "But I also think that it is interesting to be in favor of everything that is not available to us to vote on, and not in favor of anything that is."

Further discussion of the amendment was ended by a flat rejection from Senator Vandenberg: "I can't contemplate attempting to hold back the European Recovery Plan, which has been considered for eight months, to develop a military defense program that may be just as long in development."<sup>14</sup>

Action during the remainder of the day centered around an amendment offered by Senator J. William Fulbright, Democrat, of Arkansas. The Fulbright proposal would place an explicit provision in the bill favoring encouragement of political unification of Europe. If such a provision was implicit in the bill Senator Fulbright said he was ". . . unable to see any good reason why it should not be explicit."<sup>15</sup> The amendment encountered initial opposition from Senators Barkley and Lodge, both members of the Committee on Foreign Relations, but was favorably regarded by numerous members who rose to its defense. Senator Vandenberg then took the floor to indicate that while he favored the objective sought by the amendment, he also feared that

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<sup>13</sup> Cong. Rec., 80th Cong., 2d Sess., p. 2026.

<sup>14</sup> New York Times, March 4, 1948, p. 1.

<sup>15</sup> Cong. Rec., 80th Cong., 2d Sess., p. 2030.

the inclusion of an explicit provision would give rise to political overtones which "... would be a source of maximum embarrassment to at least a few of the more exposed European countries."<sup>16</sup> Although no action was taken on the amendment, Senator Vandenberg was seen in earnest conversation with Senator Fulbright as the Senate recessed for the day.<sup>17</sup> Just prior to the recess a series of amendments sponsored by Senator Owen Brewster, Republican, of Maine, and eleven of his colleagues were presented. They provided for the deletion of that portion of the bill which authorized charter of three hundred American registered merchant vessels under the flags of participating countries.

Senate action on Thursday was opened with a statement by Senator H. Alexander Smith, a Republican member of the Committee on Foreign Affairs. Senator Smith came under early fire from his colleagues Wherry and Ken, who directed their questioning at the failure of the draft bill to provide safeguards against potential benefits to the Soviet Union. Striking at a basic assumption of the recovery program which envisioned restoration of more normal trade relationships between eastern and western Europe, the revisionists asserted that nothing in the bill restricted the right of participating countries to trade with the Soviet dominated satellite nations. Senators Smith and Lodge carried the brunt of the defense insisting that sections of the legislation operated as safeguards against strengthening the war potential of the Soviet Union. They cited in particular those sections forbidding the re-export of American supplies by recipient nations and providing for termination of assistance to countries pursuing policies out of harmony with

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<sup>16</sup> *Ibid.*, p. 2037.

<sup>17</sup> New York *Times*, March 4, 1948, p. 3.

the objectives of the recovery plan. During the debate Senator Connally rose to say that he could not see a great deal of point to many of the objections put forward by the opposition group because any goods sold to the countries of eastern Europe by participating nations would be traded for something of greater value to the western nation.<sup>18</sup> Observers noted that Senator Vandenberg remained inactive throughout the afternoon, and one newspaper's correspondent reported that he appeared unconcerned about the course taken by the debate.<sup>19</sup>

Late that afternoon Senator George W. Malone, Republican, of Nevada, obtained the floor to begin his critical discourse on administration foreign policy which he called ". . . a hodge-podge of executive orders and gifts of large sums of money to foreign nations."<sup>20</sup> When Senator Malone resumed his attack on Friday he was assisted by at least a half-dozen of his fellow Republican revisionists who continuously rose to ask leading questions which prolonged his speaking time. With Senator Malone holding the floor for all but thirty minutes of Friday's session, it seemed apparent that the opposition had begun to employ delaying tactics. At one time during the afternoon only eight senators were in the chamber to hear Malone's remarks. It also appeared that Chairman Vandenberg was now at odds with the Acting Majority Leader, Senator Wherry, as the list of senators requesting speaking time was reported to be lengthening hourly.<sup>21</sup> It was now thought that a final vote during the next week was hopeless. Meanwhile, press reports indicated that

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<sup>18</sup> Cong. Rec., 80th Cong., 2d Sess., p. 2119.

<sup>19</sup> New York Times, March 5, 1948, p. 3.

<sup>20</sup> Cong. Rec., 80th Cong., 2d Sess., p. 2123.

<sup>21</sup> New York Times, March 6, 1948, p. 1.



Senator Taft would make a formal floor address on the recovery plan late in the coming week. He was expected to support the legislation in principle, but to urge that the initial authorization be cut to \$4,000,000,000.<sup>22</sup>

Early in the Monday session of the new week Senator Fulbright moved to withdraw his amendment calling for an explicit statement to be inserted into the bill favoring the political unification of Western Europe. He said his action was motivated by Senator Vandenberg's unfavorable reception of his proposal and that he had been given an understanding that action on a declaration of the desirability of European unity would be considered in another form by the Committee on Foreign Relations. Action was then taken on two amendments offered by Senator William F. Knowland which had been perfected after consultation with the chairman of the Committee on Foreign Relations. The first authorized the Secretary of Commerce to bar export of any commodity to nonparticipating countries of Europe if the supply of that commodity was deemed insufficient to fill the needs of those countries participating in the Marshall Plan. The second of the amendments directed that fifty percent of the tonnage of commodities procured within the United States for the recovery program be transported in American bottoms ". . . to the extent such vessels are available at market rates." Both were adopted by voice vote after Senator Vandenberg indicated that he had no objection to either.<sup>23</sup> The first voting test on the recovery legislation came in the form of an amendment sponsored by Senators Ball and Wherry, which proposed that participating countries be directed to adjust their exchange rates so as to reflect more accurately the actual purchasing power of their currency. Senator Vandenberg

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<sup>22</sup> Ibid., March 8, 1948, p. 1.

<sup>23</sup> Cong. Rec., 80th Cong., 2d Sess., pp. 2297-2298.

responded that he could not accept the proposal, and the first roll call vote was ordered. The amendment was lost by the overwhelming margin of 53 to 19. Only one Democrat, Senator W. Lee O'Daniel of Texas, joined the band of Republican revisionists. Although more amendments were scheduled to come from the revisionist camp, it was thought that their strength had been revealed by this initial move.

The following day's action saw the beginning of an attack on the recovery program from another direction. Senator Glen Taylor of Idaho, who had accepted the position as Henry Wallace's third party running-mate, obtained the floor and opened his address with a charge that the Marshall Plan was a continuation of a foreign policy whose objective was to extend American economic domination ". . . over as much of the world as we possibly can."<sup>24</sup> Characterizing the recovery legislation as vicious and stupid, Senator Taylor called for all foreign assistance to be channeled through the United Nations. He then attacked the bipartisan handling of the foreign assistance programs: "We have a one-party system (in foreign affairs) just as Hitler did." Moving on, Taylor accused the press of misrepresenting and sensationalizing difficulties with the Soviet Union. Finally, after five hours, which continued into the next day's session, the Idaho senator concluded with the presentation of his own bill calling for the United States to take the initiative in the formation of a United Nations Reconstruction and Economic Development Administration for Europe.

With parliamentary assistance from Senator Richard B. Russell, Democrat of Georgia, the chairman of the Committee on Foreign Relations moved to bring

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<sup>24</sup> Ibid., p. 2386.

the substitute bill to an immediate vote. In this dramatic and unexpected step the overwhelming support for the committee bill was demonstrated as the Taylor substitute was rejected 74 to 3.<sup>25</sup> Only Senators Claude Pepper, Democrat, of Florida, and William Langer, Republican, of North Dakota, supported Senator Taylor. Later in the day the Senate agreed by voice vote to accept the amendment offered by Senator Brewster which would remove the section from the bill providing for charter of three hundred American merchant ships to participating countries. Although Senator Vandenberg stated that he could not approve the amendment on behalf of the Committee on Foreign Relations, he said he would vote for the proposal in his personal capacity as the Senator from Michigan. Before recessing for the day favorable action was taken on two other amendments. The first, offered by Senator Walter F. George, Democrat, of Georgia, inserted an explicit statement into the bill requiring the Administrator to utilize private channels of trade whenever possible. The other amendment was proposed by Senator John S. Cooper, Republican, of Kentucky, and provided for a new section in the bill which would direct the President to encourage all countries in the Western Hemisphere to make available all possible assistance to the participating countries. Neither of the proposals encountered opposition from Senator Vandenberg, and both were approved by voice vote.<sup>26</sup>

On Thursday action centered around a series of somewhat minor amendments. An attempt to have a substitute bill submitted by Senator Homer E. Capehart of Indiana referred for further study to the Committee on Foreign Relations met an unfavorable response from its author, and it was agreed that the measure

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<sup>25</sup> New York Times, March 11, 1948, p. 1.

<sup>26</sup> Cong. Rec., Both Cong., 2d Sess., pp. 2470-2471.

should be held over until the following day. Then Capehart's colleague from Indiana, William E. Jenner, obtained the floor to charge that sponsors of the bill were using pressure to obtain a final vote on the recovery legislation by Saturday night. A sharp denial was issued by Senator Lodge: "So far as haste is concerned, it is not a case of anyone in the Senate trying to crowd anyone else in the Senate. We are being crowded all over the world by the conspiratorial activities which are coming out of Moscow, which none of us control."<sup>27</sup> The first test of the revisionist group's strength since Monday came on an amendment offered by Senator C. Wayland Brooks, Republican, of Illinois and co-sponsored by twelve of his fellow Republicans. This proposal called for replacement of the special roving ambassador created by the committee bill with an Agent General for Economic Cooperation who would perform the same function. The amendment, according to its sponsors, was designed to emphasize the administrative rather than the diplomatic functions of the special representative. After announcing that he could not accept the amendment, Senator Vandenberg then offered some changes which he said met the objectives of the pending amendment. However, Senator Brooks stated that he thought the changes proposed by the chairman of the Committee on Foreign Relations did not go far enough. The revisionist cause was openly supported for the first time by Senator Taft who took the floor to speak in favor of the Brooks proposal.<sup>28</sup> Although the amendment was defeated by a roll-call vote of 52 to 25, the revisionists had demonstrated increased strength. Other amendments approved during Thursday's session were of rather minor importance and were not contested by Senator Vandenberg. An attempt to

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<sup>27</sup> Ibid., p. 2524.

<sup>28</sup> Ibid., p. 2539.

separate relief from reconstruction funds met another cold reception from Senator Vandenberg and was defeated. His announcement that an amendment channeling aid into specific projects approved by the administrator was acceptable brought a cutting retort from one of its sponsors. "I thank the Senator from Michigan. I am very happy," said Senator Ball, "to find some change which the Senator does not veto."<sup>29</sup> At the conclusion of the afternoon's debate, Senator Wherry, in his capacity as Acting majority leader, announced that a session was scheduled for Saturday unless action could be completed by Friday night. Shortly after the adjournment Senator Wherry renewed his prediction that "... we will finish up here Saturday night without a doubt."<sup>30</sup>

Friday's session was highlighted by the most crucial attack planned in the revisionist camp. After a preliminary skirmish, Senator Taft took the floor to present his only Senate address during debate on the Marshall Plan. Speaking in support of an amendment which he offered, the Ohio senator and candidate for the Republican Presidential nomination clearly stated his position at the outset of his remarks:

... I am in favor of giving aid to the countries of western Europe, but only for specific programs clearly necessary for subsistence, or clearly helpful in increasing their production, especially for export. I am strongly opposed to committing ourselves in any over-all global plan to make up some theoretical deficiency in exports and to making any moral commitment beyond the amount authorized for the first year.

I am in favor of extending further aid to the countries of western Europe beyond the demands of charity only because of the effect our aid may have in the battle against communism.<sup>31</sup>

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<sup>29</sup> Ibid., p. 2535.

<sup>30</sup> New York Times, March 12, 1948, p. 2.

<sup>31</sup> Cong. Rec., 80th Cong., 2d Sess., p. 2641.



In Senator Taft's mind the recovery program was ". . . a question of foreign policy and foreign policy only," and had no economic justification. Referring to the substance of his amendment, which called for a reduction in the first year's authorization from the committee figure of \$5,300,000,000 to \$4,000,000,000, Senator Taft said he thought ". . . we tend to overestimate the importance of American dollars and the effect such dollars can have."<sup>32</sup> Although the Senator from Ohio indicated that he felt the bill as written did not contain a four year moral commitment, he saw no real objection to passage of the full four year authorization at the present time. In the conclusion of his remarks Senator Taft marshalled his arguments against the committee figure. First:

. . . on general principles of economy I think there should be some reduction. In the second place, Mr. President, I think the European countries should be impressed with the conviction that the United States is not too liberal.

In the third place, I do not like to approve a figure which is derived, so far as I can see, simply from this balance of payments theory.

Furthermore, I think it is very desirable that the Administrator be made to feel that he does not have an unlimited fund at his disposal.<sup>33</sup>

Through adoption of his amendment Mr. Taft said the Senate could make it clear that the administration of the recovery program was to be conducted on a strictly business basis.

Sharp debate following the Taft address featured Senator Connally exchanging thrusts with several of the Republican revisionists. The ranking minority member of the Committee on Foreign Relations drew laughter from the

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<sup>32</sup> Ibid., p. 2642.

<sup>33</sup> Ibid., p. 2650.

galleries on several occasions as he parried with Senators Wherry and Ball. Although Senator Taft had opened his remarks on the proposed amendment shortly after 4:00 P. M., it was not until late that Friday evening that final action was taken. In a roll call vote the revisionists demonstrated the greatest strength which they were able to muster during Senate consideration of the European Recovery Program. However, the results of the voting once again indicated that the opposition group could not command the support necessary to override the position taken by Chairman Vandenberg. By a vote of 56 to 31, with 24 Republicans joining 32 Democrats, the Taft proposal to reduce the initial authorization was rejected.<sup>34</sup> An analysis of the votes cast in favor of the reduction shows the great majority to have come from western and middle western states. A somewhat surprising number of these votes were cast by Senators representing the predominately industrial states in the Ohio River Valley Complex.<sup>35</sup> After a long day the Senate adjourned at 11:02 P. M. with final action scheduled for the following day.

During Saturday afternoon and early evening, supporters of the recovery legislation acted to hasten proceedings toward a final vote. With Senator Vandenberg in what appeared to be complete command of the situation, unwanted amendments were quickly brought to a vote. Among those amendments rejected was a proposal by Senator W. Lee O'Daniel, Democrat, of Texas, which would have provided for additional old age benefit payments. Senator O'Daniel said he thought charity should begin at home. As the session continued into late afternoon and early evening it became apparent that many Senators were primarily interested in obtaining the floor in order that they might place their

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<sup>34</sup> Ibid., p. 2708.

<sup>35</sup> See Appendix C.

views in the Record. However, the galleries remained packed throughout the day in anticipation of final action.<sup>36</sup> Among those amendments accepted were proposals offered by Senators Aiken and Reed relating to the use of surplus agricultural commodities and requiring twenty-five per cent of wheat products sent abroad to be in the form of flour. The flour amendment sponsored by Senator Reed had become a standard provision in legislation involving the overseas shipment of wheat.<sup>37</sup> Another amendment sponsored by Senator Taft calling for the insertion of a new paragraph permitting the Administrator to acquire goods from Western Hemisphere countries through credit guaranty was approved. The McCarthy amendment calling for participating countries to complete repatriation of prisoners of war met no objection from Senator Vandenberg, and its adoption completed the acceptance of amendments to the committee bill. The final challenge which the revisionists could muster came on the Capehart proposal embodying a substitute bill that called for a program of relief funds separated from the reconstruction program which was to be financed through Reconstruction Finance Corporation loans for investment in free enterprises.<sup>38</sup> Once again the revisionists were soundly defeated when the roll was called and by a vote of 68 to 22 the substitute measure was rejected. By 9:00 P. M. the third reading of the bill had been completed, thereby cutting off all proposals for further amendment, but Senators continued to make statements and remarks for the Record. Shortly after midnight the question was taken on the final passage of the bill. The roll call vote indicated overwhelming support for the Economic Cooperation Act of 1948, and the legislation

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<sup>36</sup> New York Times, March 14, 1948, p. 53

<sup>37</sup> Loc. cit.

<sup>38</sup> Cong. Rec., 80th Cong., 2d Sess., p. D170.

which was basically unchanged from its committee reported form was approved by a margin of 69 to 17. On the vote for final passage the revisionist ranks had thinned considerably with four Democrats joining the thirteen Republicans who remained in opposition.<sup>39</sup> An analysis of the geographic distribution of the opposition vote discloses that most of the defections from the revisionist camp took place in the far western states thus leaving the hard core of revisionist opposition in those middle western states centering generally in an area lying between the Ohio and Missouri rivers.<sup>40</sup>

#### HOUSE FLOOR ACTION

Floor action in the House of Representatives was opened on Tuesday, March 23, with the report of Representative Charles A. Eaton, Republican, of New Jersey, and chairman of the Committee on Foreign Affairs. Details of the package or omnibus bill were reviewed by Representative John M. Vorys, Republican, of Ohio, who was to act as the principal floor manager for the legislation. Utilizing an illustrative chart, Vorys presented a breakdown of the component elements of the package which totaled \$6,205,000,000. Title I of the package embodied a \$5,300,000,000 European Recovery Program not unlike that approved by the Senate on March 13. The remaining components of the bill were organized into three additional titles which provided for a contribution to the International Children's Fund, military aid for Greece, Turkey, and China, and economic assistance to China.<sup>1</sup> A demonstration of the sentiment favoring aid to China came early in the opening day's debate

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<sup>39</sup> Cong. Rec., 80th Cong., 2d Sess., p. 2793. See Appendix D.

<sup>40</sup> See Appendices B, C, and D.

<sup>1</sup> See Above, p. 33

as Representative Walter H. Judd, Republican, of Minnesota, launched into an extended discussion of the merits of those portions of the bill relating to China. His remarks drew numerous favorable comments from his colleagues who appeared to find almost universal satisfaction in this part of the legislation. Sharp criticism of the bill was made later in the day by Representative Vito Marcantonio of New York, one of the two American Labor Party representatives in Congress. Characterizing the pending legislation as a means of extending ". . . the control of monopoly capital over the economy of other people," Marcantonio said that ". . . this program is intended to defend not American but satellite governments that have been established by our State Department."<sup>2</sup> These remarks drew an equally sharp retort from Representative Howard W. Smith, Democrat, of Virginia, who told the House: "I do wish the gentleman from New York would some day speak as eloquently for the American form of government as he now does of communism."<sup>3</sup>

Earlier in the day Representative Herter had removed a stumbling block from the path of expeditious consideration of the legislation when he announced his support for the committee bill "in all its principal provisions:"

Even though many of us might feel that our own individual views if carried into the law, might improve it, nevertheless, the passage of the bill is of such urgency that I feel we should subordinate our personal opinions in order that the legislation may move forward to completion at the earliest practicable moment.<sup>4</sup>

Herter's action lent added weight to Representative Vorys' earlier prediction that the package bill would meet approval with virtually no change.

Wednesday's debate was highlighted by a letter from former President

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<sup>2</sup> Cong. Rec., 80th Cong., 2d Sess., p. 3315.

<sup>3</sup> New York Times, March 24, 1948, p. 3.

<sup>4</sup> Cong. Rec., 80th Cong., 2d. Sess., pp. 3311-3312.



Hoover to Speaker of the House Martin, which Vorys read on the floor. In his letter Hoover first reviewed the earlier suggestions in his January 18 letter to Senator Vandenberg, noting with approval that "certain additional safeguards" had been adopted. He then discussed six further recommendations which should be included in the bill. Among these were restoration of the "watchdog" committee and a credit guaranty provision designed to stimulate the extension of credits to participating countries from other nations in the Western Hemisphere. Hoover also commented favorably on the omnibus nature of the House bill, and said he thought all United States relief operations should be placed under one administrator. He did not, however, agree with a section in the bill that prohibited shipments from participating countries to the Soviet Union or satellite countries if such exports were in violation of United States export controls. Describing this section as "too strongly drawn," Hoover said that Marshall Plan countries must restore normal East-West trade relationships in order to become independent of relief. "A provision against munition shipments would appear to be sufficient."<sup>5</sup> Emphatic support was given to the \$5,300,000,000 figure for the European Recovery Program authorization. At the conclusion of his letter, Hoover wholeheartedly endorsed the recovery legislation:

I realize that many approach this gigantic experiment with great apprehension and a realization of the sacrifices it will mean to our people. All legislation must be the result of compromise. However, if it should produce economic, political, and self-defense unity in Western Europe, and thus a major dam against Russian aggression, it would stem the tide now running so strongly against civilization and peace. The plan, if well devised and under a capable administrator, stands a good chance of success. I believe it is worth taking the chance.<sup>6</sup>

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<sup>5</sup> Ibid., p. 3436.

<sup>6</sup> Loc. cit.

Any effort to organize scattered opposition forces was reported to have collapsed with announcement of Hoover's stand.<sup>7</sup>

Interest was aroused earlier in the debate when Representative Alvin O'Konski, Republican, of Wisconsin, called for the participation of Spain in the European Recovery Program. "No country in the world," said O'Konski, "has shown such hatred for communism as have the Spanish people and the Spanish Government. If this is an anti-Communist measure, let us include the country that is the most anti-Communist of any country in Europe at the present time."<sup>8</sup> At the conclusion of his remarks O'Konski indicated that he planned to introduce an amendment providing for the inclusion of Spain.

On Thursday attention centered around another critical address by Representative Marcantonio. His charges brought an angry rebuttal from Representative E. E. Cox, Democrat, of Georgia, whose remarks drew thunderous applause from the public galleries:

Mr. Chairman, how long, I wonder, must Members of this body sit here and hear assaulted from day to day the Government we love, and by people who would rip from the wall that symbol of liberty that hangs above the Speaker's rostrum, and who would run down the flag of the stars and stripes that proudly floats above this capitol and run up in its stead the flag of the hammer and sickle?<sup>9</sup>

Marcantonio, his face scarlet, jumped to his feet to challenge the propriety of his assailant's remarks. After a hurried conference conducted in what one newspaper called "an anxious silence," speaker Martin took the chair to rule that: "There is nothing in the words uttered by the gentleman from Georgia that reflects on any particular individual Member of the House."<sup>10</sup>

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<sup>7</sup> New York Times, March 25, 1948, p. 1.

<sup>8</sup> Cong. Rec., 80th Cong., 2d Sess., p. 3428.

<sup>9</sup> Ibid., p. 3533.

<sup>10</sup> Loc. cit.

Although Members continued to taunt Marcantonio throughout the day's debate, he made no further response. With the announcement that the House leadership planned to conclude general debate on the foreign assistance bill by adjournment of the current day's session, most of the remaining time was devoted to short floor addresses enabling congressmen to place their point of view in the Record. The attitude of many of the congressmen was well expressed by Representative T. Millet Hand, Republican, of New Jersey:

At best—as Marshall himself has said—it is a calculated risk; and if, at the end I can vote "aye," it will be with the full knowledge that we are taking a risk, not an insurance policy; a risk that is highly hazardous, incredibly costly, and which offers doubtful success.<sup>11</sup>

Numerous speeches contained remarks highly critical of the Administration's foreign policy, and several attacked the Secretary of State personally. There was also extensive criticism of the 1946 loan to Great Britain which was said to have been used to "socialize" industry and to maintain British Colonial possessions. Just before 6:00 P. M. the House closed its Thursday session, having heard the first reading of the bill. Resumption of consideration of the foreign assistance legislation was scheduled for the following Monday, and the House was adjourned for the Good Friday week-end.

Expressions of confidence in early and favorable action on the legislation were made over the week-end by important figures in the House. Chairman Eaton predicted that not more than 80 negative votes would be cast against the bill, saying: "There has been a very great change in attitude toward this bill." The ranking Democrat on the Committee on Foreign Affairs, Representative Sol Bloom of New York, agreed with Eaton and also remarked that he saw

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<sup>11</sup> Cong. Rec., 80th Cong., 2d. Sess., p. 3448.

little possibility of any substantial change in the legislation. Representative Vorys announced that he was sure action on amendments could be completed on Tuesday, thereby clearing the way for final passage late Tuesday or on Wednesday.<sup>12</sup> On Monday the House began reading the bill for amendment, and the session was opened with the first amendment, in the form of a substitute bill, offered by Representative Ralph W. Gwinn, Republican of New York. This substitute like the unsuccessful Hall amendment in the Senate was designed to separate relief and reconstruction functions.<sup>13</sup> The Gwinn amendment was, however, more drastic than its Senate counterpart for it proposed to leave reconstruction to private American capital which might receive certain stimulation from our government. Its rejection on a standing vote of 103 to 60 set the pattern for disposition of three other amendments not acceptable to the Committee on Foreign Affairs. These proposals, according to Vorys, were either "... a matter of tweedledee or tweedledum ... or we are fooling with political dynamite."<sup>14</sup> Great concern over the personnel that would be selected to administer the recovery program was expressed on both sides of the aisle. Sounding the keynote for a great portion of the day's debate, Representative Cox, Democrat, of Georgia, said: "There should be an amendment that will limit the executive personnel in charge of the European recovery program to only those who believe in and support our American system of society and government."<sup>15</sup> Representative Carl K. Mundt, a Republican member of the Committee on Foreign Affairs, rose to indicate

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<sup>12</sup> New York Times, March 29, 1948, p. 9.

<sup>13</sup> See Senate Floor Action.

<sup>14</sup> Cong. Rec., 80th Cong., 2d Sess., p. 3646.

<sup>15</sup> Ibid., p. 3624.

that the committee had amended the legislation to provide for a Federal Bureau of Investigation loyalty check on all prospective employees of the recovery administration. Critical congressmen, however, pointed out that no provision in the legislation required the Administrator to be bound by the results of the loyalty investigation. Finally Representative Sam Rayburn, Democrat, of Texas, took the floor to answer the critics:

I still think that the President of the United States, conscious of his tremendous responsibilities, will name a good administrator for this law, and that a good administrator will, out of one hundred and forty-odd-million people, find a few thousand good people, honest people, patriotic people in the United States to help him administrate it.<sup>16</sup>

After Mr. Rayburn's admonition, attention again turned toward demands for the restriction of exports to the Soviet Union and its satellite countries. Many of the congressmen said they feared a recurrence of the consequences produced by the earlier failure to regulate exports to Japan. Representative Mundt then announced that the Committee on Foreign Affairs in its morning session had approved his amendment empowering the Administrator to halt ". . . the shipment of war supplies to the Soviet Union and its satellite countries."<sup>17</sup> Monday's session was brought to a close with the introduction of the O'Konski amendment seeking to add Spain to the list of participating countries, and it was made the pending order of business for the following day.

Tuesday's debate opened with a move by Representative Vorys to limit debate on the pending amendment to five minutes. He said that while the O'Konski proposal ". . . may not be the happiest way to handle the matter," the Committee on Foreign Affairs had decided not to object to the amendment.

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<sup>16</sup> Ibid., p. 3650.

<sup>17</sup> Ibid., p. 3651.



Pointing out that the United Nations had refused membership to Spain in compliance with the United Nations' recommendation to break off relations with that country, several members voiced strong objection. Vorys said the committee had found the manner in which the amendment was written to be ". . . rather innocuous, so we will go along." The O'Konski proposal, he continued, did not alter the necessity for approval of Spanish participation by these sixteen nations comprising the Committee for European Economic Cooperation. Although Vorys later conceded that approval of the proposal probably was "bad politics in Western Europe," the measure was adopted by a division of 149 to 52.<sup>18</sup> The next order of business concerned an amendment offered by Herter which provided for an increase in the number of persons outside of civil-service restrictions who might be appointed as administrative personnel. There seemed to be little opposition to the Herter proposal and it was adopted without a division. With no amendments pending, the debate began to ramble and opponents of the legislation directed their fire at the floor managers of the bill. Tempers flared as Representative John E. Rankin, Democrat, of Mississippi, charged:

We have so many wild-eyed internationalists and ex-missionaries on this Foreign Affairs Committee that it is a hard matter for them to understand the sentiment of those of us who really go back to the grass roots and represent the American people.

I say again, if you were to take a secret vote on this measure, it would not get 50 votes in the House.<sup>19</sup>

Mr. Vorys responded by a request to end the debate on that section ostensibly serving as the topic for debate. His motion was lost by a vote of 48 to 61.

<sup>18</sup> New York Times, March 31, 1948, p. 4.

<sup>19</sup> Cong. Rec., 80th Cong., 2d Sess., p. 3722.

Representative Robert F. Rich, Republican, of Pennsylvania, then gained the floor, and he too clashed with Vorys after his refusal to yield to questioning by another member of the Committee on Foreign Affairs. Declaring that ". . . I am going to get my 5 minutes or bust," Rich was interrupted by Vorys, who retorted: "The gentleman has talked every day since we have started."<sup>20</sup>

The House then turned to the next amendment which was offered by Representative Judd. His proposal was designed to strengthen that section of the bill relating to employment of administrative personnel by requiring the Administrator to certify in writing and on the basis of the F. B. I. investigation, that he believes a prospective employee to be of "unquestioned loyalty." This measure along with perfecting amendments was adopted without a division. Attention then centered around an amendment proposed by Representative William M. Colmer, Democrat, of Mississippi, and a member of the Committee on Foreign Affairs, which would strike out a section of the bill providing for the charter of two hundred merchant ships to the participating countries. Pointing out that the Senate had stricken a like provision transferring 500 ships, Mr. Colmer asked that the House overrule its Committee on Foreign Affairs. With the exception of three members of the Committee on Foreign Affairs, Representatives Vorys, Judd, and Mundt, who spoke against the amendment, sentiment appeared to be overwhelmingly in favor of the Colmer proposal. Despite Vorys' statement that \$200,000,000 could be saved by the transfer provision, the amendment carried 165 to 32. The temper of the House on this measure was perhaps best expressed by Representative T. Millet Hand, Republican, of New Jersey:

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<sup>20</sup> Loc. cit.

The only argument in favor of chartering the ships is economy. It is a fine time for the proponents of this bill to start talking about economy. Every move except this one has been to add a few hundred millions to the cost.<sup>21</sup>

A second amendment designed to favor American shipping interests was introduced by Representative Willis W. Bradley, Republican, of California, immediately after adoption of the Colmer proposal. It stipulated that fifty per cent of the gross tonnage of commodities procured within the United States must be transported on such United States flagships as are available at market rates. According to its sponsor, only one just criticism of his proposal could be made, ". . . it is that the 50-percent requirement is too small."<sup>22</sup> Again the floor managers of the bill objected, and again they were overridden as the amendment was approved without a division. An attempt to prevent Marshall Plan funds from being used to purchase petroleum products from the Arab nations of the Middle East introduced by Representative Leo Isaacson, American Labor, of New York, was quickly beaten down.

Late Tuesday afternoon the House reached that section of the legislation entitled "Protection of the Domestic Economy." An amendment was immediately offered by Representative Colmer calling for export restrictions on commodities and technical data to those countries attempting to prevent successful operation of the European Recovery Program. Spokesmen for the Committee on Foreign Affairs opposed the Colmer proposal and threw their support behind a substitute measure sponsored by Representative Mundt which had been accepted by the committee in an earlier executive session. "Would it not be a lot better," asked Vorys, "to adopt an amendment which has been considered by the

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<sup>21</sup> Cong. Rec., 80th Cong., 2d Sess., p. 3745.

<sup>22</sup> Ibid., p. 3748.

full committee and its counsel rather than one which no one has had a chance to read?"<sup>23</sup> Supporters of the Mundt substitute said the Colmer proposal would result in a mandatory embargo on a great number of commodities and was therefore too broad. The substitute called for restrictions on only those goods which might contribute to Soviet war potential. The floor managers also said the Mundt proposal closed another door left open by the Colmer amendment. They pointed to the provision in the substitute authorizing the Administrator to halt exports of materials which a participating country processed or fabricated for shipment to a nonparticipating country. After brief debate the Mundt substitute was adopted. In a series of minor amendments just prior to adjournment the House reversed the term "surplus agricultural commodities" to include canned foods and domestic fishery products. Also approved was an amendment protecting domestic processors of corn products; however, whiskey was barred from such benefits.

With the opening of the final day's debate on Wednesday the House continued to sit as a legislative committee for consideration of the foreign-assistance legislation. Almost immediately Representative Charles W. Vursell, Republican, of Illinois, introduced an amendment to reduce the total authorization for the European Recovery Program by \$1,300,000,000. Contending that the bill as written was not a calculated risk, ". . . but is the greatest financial gamble ever taken by any government in the world," Mr. Vursell called for a reduction in authorization, a limitation of the program to one year, and the best possible management.<sup>24</sup> He was seconded by Representative John E. Rankin, Democrat, of Mississippi, who told the Republican leadership:

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<sup>23</sup> Ibid., p. 3759.

<sup>24</sup> Ibid., p. 3810.

"Your party has reversed its position, and is now going down the road to international ruin for the American people."<sup>25</sup> A motion to limit debate on the amendment was withdrawn in response to former Speaker Rayburn's request. After quietly listening to critics hammer away at the bill, Rayburn rose to address the House:

Mr. Chairman, I never desire to and I always seek not to give offense, but I have heard some very familiar talk here today. I heard it in 1938, in 1939, in 1940, and even in 1941.

I am casting a vote today that I believe is in the defense of the United States of America and in defense of our civilization. Strip it of such things as the defense of our country and humanity. Get down to the economy of the thing—dollars and cents. It is as important to the cotton farmers of the Fourth Congressional District of the State of Texas that Western Europe be rehabilitated as it is for Western Europe itself.<sup>26</sup>

After almost three hours of debate the amendment offered by Vursell was defeated by a division of 112 to 68. Opponents of the legislation then attempted to rally their scattered forces behind an amendment sponsored by Representative Lawrence H. Smith, Republican, of Wisconsin. This proposal called for the inclusion of a provision stating that no moral or legal obligation which would require the extension of the recovery program beyond the initial year was incurred by the Congress. Among those speaking in favor of the Smith amendment was the powerful chairman of the Committee on Appropriations, Representative John Taber, Republican, of New York, who said, "This amendment will make the bill what it is supposed to be. It says that this is a 1-year bill, and it will make it a 1-year bill."<sup>27</sup> After short debate the proposal was lost by the narrow margin of 117 to 127.

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<sup>25</sup> Ibid., p. 3811.

<sup>26</sup> Ibid., pp. 3817-3818.

<sup>27</sup> Ibid., p. 3829.



Among a series of minor perfecting amendments adopted was a provision designed to identify and to put into active use the earnings of assets held in the United States by nationals of the participating countries. The most surprising action of the day came on an amendment offered by Representative Lawrence H. Smith, Republican, of Wisconsin, which modified the language of the bill concerning the termination of dismantling German industrial plants for reparation purposes. The committee draft had authorized the Administrator to recommend that the Secretary of State seek arrangements for termination if such dismantling was harmful to the recovery program. The Smith amendment proposed to strike out the words "to seek," thereby authorizing the Administrator to direct the Secretary of State to conclude the necessary agreements. On a standing division the House first voted 69 to 53 for adoption. A request for tellers from the Democratic side brought a vote of 88 to 55 in favor of the proposal.<sup>28</sup> Other amendments accepted included one directing the Administrator to pay certain freight and handling charges in order to facilitate the relief operations of private groups within the United States. This measure also made aid to participating countries conditional upon free entry for private relief packages and supplies. An attempt by friends of the Select Committee on Foreign Aid to restore the Senate provision for a joint "watch-dog" committee encountered the determined opposition of Chairman Eaton. In one of his few floor utterances, Eaton insisted that his committee was entirely capable of carrying on the necessary investigations. He received powerful support from Representative John W. McCormack, the minority whip, and Chairman Taber of the Committee on Appropriations. The amendment was shouted down

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<sup>28</sup>New York Times, April 1, 1948, O. 3.

without a division.<sup>29</sup> Shortly before the dinner hour Representative Mike Mansfield, Democrat, of Montana, led a move to eliminate title III of the bill, which provided for military assistance to Greece, Turkey, and China. The question revealed only eighteen supporters for the Mansfield amendment as congressmen began to anticipate the final vote. This action was followed by an attempt to strike from the bill title IV, which contained the provisions for economic aid to China. It too was overwhelmingly defeated, the division indicating: ayes 31, nos 113. Just before the bill was read for the third and final time, a request for a separate vote on the O'Konski amendment to include Spain was heard. By a standing vote of 188 to 104 the House divided along party lines, defeating the Democratic attempt to throw out the previously accepted O'Konski proposal.<sup>30</sup> The House then moved to the final vote on passage of the bill. One hundred fifty-eight Democrats joined with 171 Republicans to approve the legislation by a margin of 329 to 74.<sup>31</sup> Sixty-one of the negative votes registered came from the Republican side of the House. An analysis of the geographic distribution of the opposition reveals a concentration in those middle western states with a marked industrial character.<sup>32</sup> Thirty-six of the 61 Republican negative votes were centered in the five states of Illinois, Indiana, Ohio, Michigan, and Missouri. Of 19 Republicans in the Illinois delegation, 14 either cast negative votes or were paired against the bill. In Michigan, Indiana, and Missouri, all with predominantly Republican congressional delegations, at least 50 per cent of the

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<sup>29</sup> Loc. cit.

<sup>30</sup> New York Times, April 1, 1948, p. 1.

<sup>31</sup> Cong. Rec., 80th Cong., 2d Sess., p. 3874. New York Times, April 1, 1948, p. 1.

<sup>32</sup> See Appendix E.

majority party members voted against the bill. Fifteen additional negative votes were cast by Republican representatives from seven middle western farm states. Substantial opposition was demonstrated in five of these states where roughly one half of the Republican delegation indicated opposition. In the Iowa and Kansas delegations a large majority of votes was cast in favor of the foreign assistance legislation. With final floor action in the House completed, the omnibus bill moved into conference with the Senate for adjustment of differences.

#### CONFERENCE COMMITTEE AND FINAL APPROVAL

On the day following passage of the omnibus House foreign assistance legislation, the House and Senate conferees met to iron out differences. Selected from the House of Representatives were Eaton, Vorys, Mundt, Bloom, and Keefe. The Senate named Vandenberg, Capper, Wiley, Connally, and George. In anticipation of the package or omnibus character of the House legislation, the Senate had approved two other foreign aid measures after completing action on the separate European Recovery Program. On March 23, a \$275,000,000 authorization for continued military assistance to Greece and Turkey had been passed by voice vote. In spite of serious misgivings the Senate, on March 30, had approved by voice vote the bill sponsored by the Committee on Foreign Relations providing \$463,000,000 for China with only one clearly distinguishable "no" vote being cast.<sup>1</sup> Funds provided in the Senate bill included \$100,000,000 to be used for "whatever purpose is decided upon by the Chinese Government;" the remainder of the authorization was for economic aid. The conference committee planned to incorporate the four bills into a single bill,

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<sup>1</sup> New York Times, March 27, 1948, p. 1.

S. 2202, on which the conference report would be filed. Working continuously from 10:00 A. M. the conferees completed their work shortly before midnight on the same day. Their most spectacular move was to throw out the House amendment providing for inclusion of Spain in the recovery plan. The committee had agreed, said Senator Vandenberg, ". . . that the 16 European participating countries are the ones who control the right of membership in their cooperative adventure, and that it is not for us to undertake to dictate the membership."<sup>2</sup> The disagreement over the necessity for a joint "watchdog" committee was resolved in nominal favor of the Senate position. However, the most powerful critic of such a committee, Chairman Eaton told the House that ". . . we in conference decided to have a little imitation one to satisfy the brethren who had a hungering in that direction. So I am going along with them to that extent."<sup>3</sup> A similar compromise was to be seen in a provision authorizing the Administrator to employ a corporate form in his organization, if he so desired. The \$570,000,000 House figure for a fifteen-month aid to China program was discarded in favor of the twelve-month Senate program calling for \$463,000,000. The Senate breakdown of these aid funds was, however, slightly modified to allow an additional \$25,000,000 to be spent for military purposes. Of perhaps greatest significance was the retention of the House requirement that both authorization and appropriation must be annual. Senator Vandenberg had sought a four-year authorization with annual appropriations.

In its final form the European Recovery Program remained substantially unchanged from the bill reported by the Senate Committee on Foreign Relations. The initial appropriation required had been cut by \$1,000,000,000 to \$4,300,000,000 through conference committee acceptance of a House provision direction

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<sup>2</sup> Cong. Rec., 80th Cong., 2d Sess., p. 4034.

<sup>3</sup> Ibid., p. 4064.

that \$1,000,000 be segregated for loans and credit guaranties which would be financed by Treasury notes. The total figure for components of the package bill was set at \$6,098,000,000. Pending congressional action on necessary appropriations measures, "The Foreign Assistance Act of 1948" made available \$1,000,000,000 from the Reconstruction Finance Corporation to initiate the European Recovery Program. Additional amounts of \$50,000,000 each for Greece, Turkey, and China were to be drawn from the same source for similar purposes.<sup>4</sup> On the following day, Friday, April 3, the Foreign Assistance Act of 1948 met prompt congressional approval. With less than fifteen minutes consideration, during which it heard statements from Representatives Eaton, Vorys, and Mundt, the House of Representatives voted 318 to 75 for approval. Senate action followed almost immediately with the bill being approved by voice vote.

On Saturday, April 3, important congressional leaders met at the White House to witness Presidential approval of their handiwork. In less than ten months since Secretary of State Marshall's Harvard speech, a formula for European recovery and reconstruction had been translated into a concrete program. The prompt consideration given the Marshall Plan legislation was even more remarkable in light of the hostility that existed between the Truman administration and the Republican-controlled 80th Congress. The prompt and successful translation of the Marshall suggestion into a workable program was, in the final analysis, a tribute to the vision and skill of those Republicans who managed committee and floor action on the necessary legislation. No small portion of this tribute must be placed at the feet of one man--the widely esteemed and extraordinarily capable senior senator from Michigan, Arthur H. Vandenberg. Calling the legislation "... perhaps the greatest venture in

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<sup>4</sup> New York Times, April 3, 1948, p. 4.



constructive statesmanship that any nation has undertaken," President Truman completed the remaining step necessary for final approval of the recovery program. In a remarkably expressive statement, the President paid respect to the action of the 80th Congress on the Marshall Plan:

Its passage is a striking manifestation of the fact that a bipartisan foreign policy can lead to effective action. It is even more striking in its proof that swift and vigorous action for peace is not incompatible with the full operation of our democratic process of discussion and debate. Those who are skeptical of the effectiveness of a democratic system should ponder the lesson of the enactment of this measure.<sup>5</sup>

#### SUMMARY

Public hearings before the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs both indicated that open pressure group opposition to the Marshall Plan legislation was slight and, with the exception of the maritime industry, was relatively scattered. The center of organized opposition in the Congress was a group of western and middle-western Republican senators initially numbering about twenty. Realizing that they could not gut the entire program, this group hoped to bring pressure for substantial revisions or modifications in the administration's draft bill. The revisionists were generally either outmaneuvered by Senator Vandenberg or confronted with the hard fact of his calm refusal to accept their modifications. The Truman administration, fully cognizant of Vandenberg's key role, demonstrated a desire to reinforce his position by agreeing to his suggestions for changes in the bill prepared by the Department of State. The crucial test on the floor of the Senate came on the amendment introduced by Senator Taft to cut the authorization for the initial year's operation from \$5,308,000,000 to

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<sup>5</sup> The Department of State Bulletin, XVIII, No. 458, April 11, 1948, p. 468.

\$4,000,000,000. Its failure to command the necessary support foreshadowed the overwhelming approval given the committee bill by the Senate on March 14. New complications were introduced in the House of Representatives by the insistence of the Committee on Foreign Affairs on reporting an omnibus bill containing aid to Greece, Turkey, and China as well as the European Recovery Program. Vandenberg insisted that such an approach would delay final action on the recovery program until late spring or early summer because his Senate Committee had not yet acted upon the measures for Greece, Turkey, and China. The refusal of House leaders to modify their position again demonstrated Vandenberg's flexibility; before the House, on April 1, approved the omnibus bill Vandenberg had secured favorable Senate action on aid to Greece, Turkey, and China. Under Vandenberg's direction the conference committee completed resolution of House and Senate differences in one day, and on the following day, April 3, 1948, the conference report was accepted in both houses of Congress. In its final form the European Recovery Program remained substantially unchanged from the bill reported out of Chairman Vandenberg's Senate Committee on Foreign Relations.

## ACKNOWLEDGMENT

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## APPENDICES

5. *UNIFORMITY OF BODILY*  
 6. *UNIFORMITY OF MENTAL*  
 7. *UNIFORMITY OF MORAL*  
 8. *UNIFORMITY OF SOCIAL*  
 9. *UNIFORMITY OF ECONOMIC*  
 10. *UNIFORMITY OF POLITICAL*  
 11. *UNIFORMITY OF CULTURAL*  
 12. *UNIFORMITY OF SCIENTIFIC*  
 13. *UNIFORMITY OF ARTISTIC*  
 14. *UNIFORMITY OF LITERARY*  
 15. *UNIFORMITY OF PHILOSOPHICAL*  
 16. *UNIFORMITY OF HISTORICAL*  
 17. *UNIFORMITY OF GEOGRAPHICAL*  
 18. *UNIFORMITY OF CLIMATIC*  
 19. *UNIFORMITY OF BOTANICAL*  
 20. *UNIFORMITY OF ZOOLOGICAL*  
 21. *UNIFORMITY OF ASTRONOMICAL*  
 22. *UNIFORMITY OF PHYSICAL*  
 23. *UNIFORMITY OF CHEMICAL*  
 24. *UNIFORMITY OF METEOROLOGICAL*  
 25. *UNIFORMITY OF AGRICULTURAL*  
 26. *UNIFORMITY OF INDUSTRIAL*  
 27. *UNIFORMITY OF COMMERCIAL*  
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 29. *UNIFORMITY OF LEGAL*  
 30. *UNIFORMITY OF MEDICAL*  
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 40. *UNIFORMITY OF RAILWAY*  
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 43. *UNIFORMITY OF CANAL*  
 44. *UNIFORMITY OF PORT*  
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 46. *UNIFORMITY OF DOCK*  
 47. *UNIFORMITY OF SHED*  
 48. *UNIFORMITY OF FACTORY*  
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 58. *UNIFORMITY OF WISDOM*  
 59. *UNIFORMITY OF VIRTUE*  
 60. *UNIFORMITY OF BEAUTY*  
 61. *UNIFORMITY OF HEALTH*  
 62. *UNIFORMITY OF WEALTH*  
 63. *UNIFORMITY OF POWER*  
 64. *UNIFORMITY OF INFLUENCE*  
 65. *UNIFORMITY OF REPUTATION*  
 66. *UNIFORMITY OF HONOR*  
 67. *UNIFORMITY OF GLORY*  
 68. *UNIFORMITY OF FAME*  
 69. *UNIFORMITY OF LEGACY*  
 70. *UNIFORMITY OF INHERITANCE*

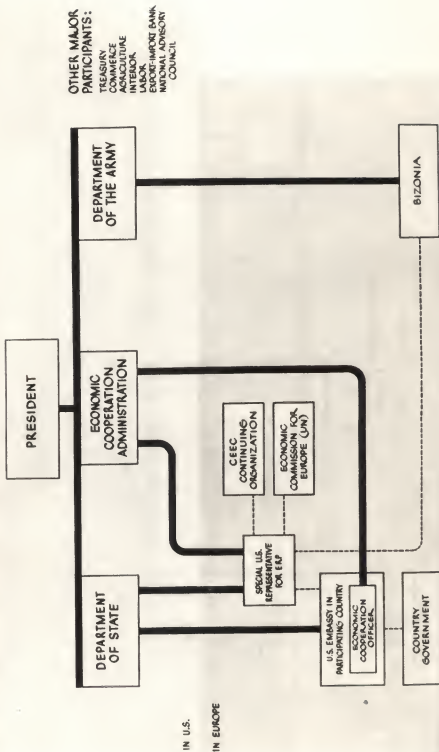


APPENDIX A

Explanation: Chart depicting administrative organization proposed  
by the Department of State.

## APPENDIX A

## I. ADMINISTRATIVE STRUCTURE FOR THE ERP



## APPENDIX B

Revisionist Senators Listed by the New York Times  
as Present at the January 30, 1948 Meeting

<u>Name</u>	<u>State Represented</u>
X*Joseph H. Ball	Minnesota
X*Kenneth S. Wherry	Nebraska
X*Henry C. Dworshak	Idaho
X*James P. Ken	Missouri
X*William E. Jenner	Indiana
X*George W. Malone	Nevada
Clyde M. Reed	Kansas
*Arthur V. Watkins	Utah
X*C. Wayland Brooks	Illinois
*Zales N. Ecton	Montana
X*E. H. Moore	Oklahoma
Guy Gordon	Oregon
William F. Knowland	California
*Owen Brewster	Maine
X*Homer Capehart	Indiana
*Joseph R. McCarthy	Wisconsin
X*Chapman Revercomb	West Virginia
Harry P. Cain	Washington

\* Supported Taft Amendment.

X Voted against the European Recovery Program on the Senate Floor.

# APPENDIX C

Explanation: Geographical distribution of votes cast in favor of the Taft amendment to reduce the first year authorization from \$5,300,000,000 to \$4,000,000,000.

Key:

X

Supported Amendment

X

Paired in favor of Amendment

X\*

Absent; Announced in favor of Amendment

# APPENDIX C



U.S. DEPARTMENT OF AGRICULTURE

N EG. 26678 BUREAU OF AGRICULTURAL ECONOMICS

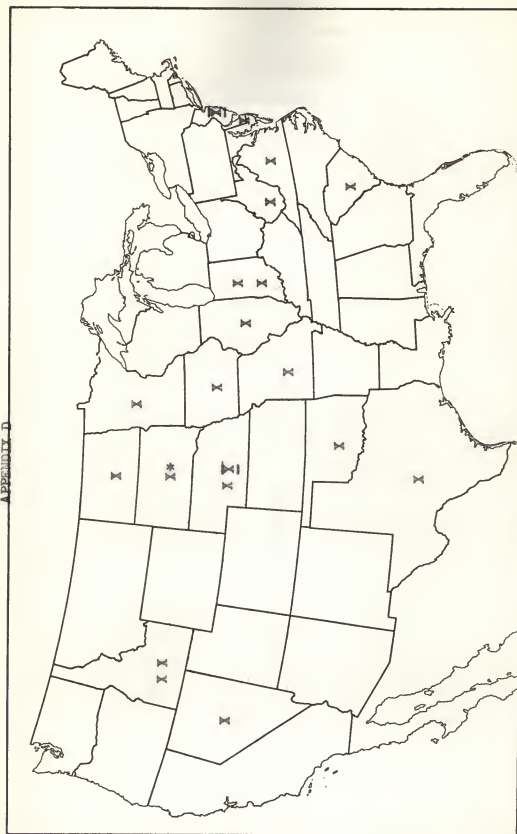


# APPENDIX D

Explanation: Geographical distribution of votes cast against the European Recovery Program on the record vote for final Senate approval.

Key:	X	Voted Against
	<u>Y</u>	Paired Against
	X*	Absent; Announced Against

## APPENDIX D



U.S. DEPARTMENT OF AGRICULTURE

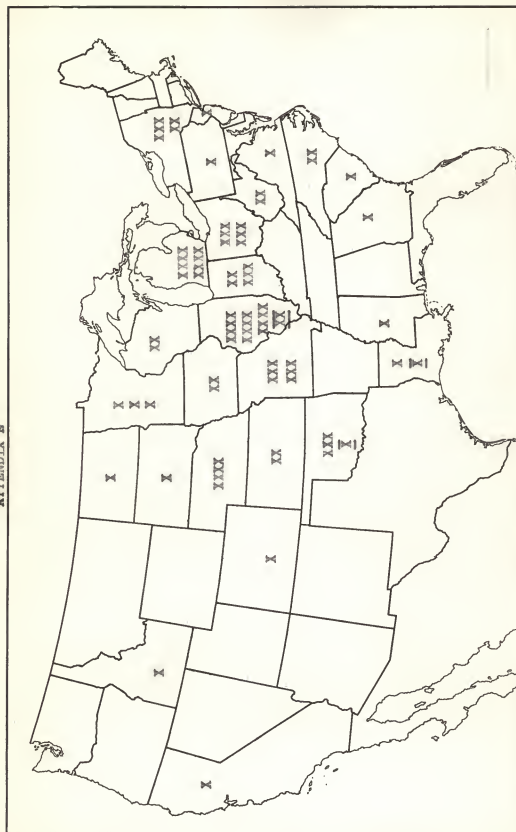
N E G . 26678 BUREAU OF AGRICULTURAL ECONOMICS

# APPENDIX E

Explanation: Geographical distribution of votes cast against the omnibus foreign aid bill in the House of Representatives on the record vote for final approval.

Key:	X	Voted Against
	<u>X</u>	Paired Against
	X*	Absent; Announced Against

## APPENDIX E



U.S. DEPARTMENT OF AGRICULTURE

N E G. 26678 BUREAU OF AGRICULTURAL ECONOMICS

CONGRESS AND THE MARSHALL PLAN

by

JAN R. BRUMM

B. S., Kansas State College of  
Agriculture and Applied Science, 1956

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AN ABSTRACT OF A THESIS

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of History, Government, and Philosophy

KANSAS STATE COLLEGE  
OF AGRICULTURE AND APPLIED SCIENCE

1958



On June 5, 1947, Secretary of State George C. Marshall, speaking at Harvard, announced a far-reaching re-orientation of United States policy toward the economic problems of Western Europe. Faced with a Republican congress at home and the results of a severe winter on the European continent, the Truman administration had begun during March and April to develop a policy emphasizing the need for a new long-term economic program. Such a program would be directed at putting Western Europe back on its feet and should be predicated upon a coordinated and cooperative effort by the countries involved. The granting of relief aid on a piecemeal basis was to be replaced by a well-planned long-term reconstruction effort. However, Secretary Marshall emphasized that the initiative must come from the nations of Europe. One month later sixteen nations assembled in Paris and drew up a comprehensive recovery program.

After careful consideration, President Truman reluctantly decided in mid-October to reconvene the Congress. The special session opened on November 17, with the President calling for adequate steps to meet the crisis in Western Europe. One month later, December 19, 1947, the administration's bill for the Marshall Plan was placed before the Congress. The purpose of this thesis is to trace the action taken by the Republican 80th Congress as it worked through these legislative processes necessary to transform the Marshall approach into a concrete program. Particular significance is attached to the role played in the shaping and management of the legislation by key majority-party leaders in both houses of Congress. It is also anticipated that the nature of the relationship between the Truman administration and an essentially hostile Republican Congress will be revealed.

The procedure followed has been to submit action on the Marshall Plan

legislation in each of the important stages of the legislative process to close examination. Emphasis at each stage has been placed upon changes and attempted changes in the draft legislation prepared by the Department of State. At each stage of the legislative process an effort to isolate and identify the opposition has been made with the aid of appendices showing vote distribution. Major reliance has, of course, been placed upon the Congressional Record and the printed record of the public hearings held before the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. Certain printed reports of the House Select Committee on Foreign Aid have also been of great benefit, and the New York Times has proved invaluable.

The most inescapable conclusion to come from this examination of Congress and the Marshall Plan is that despite all possible difficulties the recovery legislation as finally approved remained substantially unchanged from the draft bill reported to the Senate floor by Chairman Vandenberg's Committee on Foreign Relations. It also seems apparent that the skill employed by Senator Vandenberg in neutralizing points of substantial opposition was of great significance in achieving the adoption of an effective program. In the final analysis, the successful translation of the Marshall concept into a concrete reality was a tribute to the capacity of the American political system to function effectively under conditions of great stress.