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POLICY FORMULATION AND IMPLEMENTATION

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THE MARSHALL PLAN: A CASE STUDY IN AMERICAN FOREIGN
POLICY FORMULATION AND IMPLEMENTATION

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TABLE OF CONTENTS

	Page
ACKNOWLEDGMENT	iii
Chapter	
I. FROM YALTA TO THE TRUMAN DOCTRINE	1
Introduction	
The Deterioration of Relations Between the United States and Soviet Union after World War II	
Eastern Europe--After Yalta	
The Division of Germany Between East and West	
The Council of Foreign Ministers: Failure to Resolve Basic Issues	
Soviet Obstructionism in the United Nations	
The Economic and Political Deterioration of Europe: Failure to Re-establish a Viable Economy	
The Greek-Turkish Crisis	
II. AMERICAN DOMESTIC POLITICAL DEVELOPMENTS, 1945-1948	70
III. THE GREEK-TURKISH CRISIS: THE U. S. RESPONSE	96
Recognition and Delineation of the Problem	
Dominant Personalities in the Executive Branch Engaged in Formulation of the Truman Doctrine	
The Administration's Congressional Strategy and the Results	
Reaction to the Truman Doctrine	
The American Public	
The Response Abroad	
Congress and the Truman Doctrine	

IV.	THE MARSHALL PLAN	145
	Background Developments	
	Europe's Reaction: The Committee of European Economic Cooperation	
	Exploration of American Capabilities to Finance European Reconstruction	
	Congressional Reaction	
	The Public Response	
	Interim Aid	
V.	THE EUROPEAN RECOVERY PROGRAM IN CONGRESS	199
	The Setting and the Forces	
	The Administration Bill	
	The Hearings	
	The Committee Versions of ERP	
	The Debates	
	Prospects for Adoption of the Recovery Program	
	Senate Consideration of ERP	
	Efforts To Expedite Passage of ERP	
	House Consideration of ERP	
	The Foreign Assistance Act of 1948	
	Implementation of the Recovery Program	
	The Appropriations Struggle	
	House Reduction of ERP Appropriation	
	Response to House Action	
	Senate Consideration of ERP Appropriation	
	Conference and Capitulation	
VI.	CONCLUSION	322
	BIBLIOGRAPHY	349

THE MARSHALL PLAN: A CASE STUDY IN AMERICAN FOREIGN
POLICY FORMULATION AND IMPLEMENTATION

CHAPTER I

FROM YALTA TO THE TRUMAN DOCTRINE

Introduction

On May 8, 1945, President Harry S. Truman announced to a thankful nation the unconditional surrender of Germany. Although the actual capitulation had occurred the previous day at Rheims, France, it was ratified formally at Berlin on May 9, 1945. On August 14, 1945, the President announced the surrender of Japan. Officially the surrender was made on September 1, with the following day being proclaimed as "V-J Day".

Thus was brought to its close the most destructive and costly war in the world's history and the first conflict actually spanning the entire globe. Stemming directly from this century's other and first "world" war, out of the devastation and fury of the war years 1939-1945 was spawned a new era, the age of the super-states. Although the fact was not clearly discernible in 1945, the war and its aftermath heralded the end of traditional international relationships. Departed from the center of the world power structure were Great Britain, France, Germany and Japan. Enfeebled by a half-century of preparing for and fighting debilitating wars, these once dominant actors on the

world stage now found themselves in roles of secondary and even lesser importance, their places having been preempted by the new super-states, the United States of America and the Union of Soviet Socialist Republics.

Although infinitely exhausted by the savagery of the blood-letting so recently ended and conscious only of a desire to erase the memory of the holocaust through a return to the business of peace as expeditiously as possible, the peoples of the war-torn areas were to be given no surcease. Instead, they were to be catapulted into an even more intense, if less sanguine, struggle for power between the new super-states. Out of the seeds of the victorious war-time alliance were to arise the bitter fruits of hate, suspicion, mistrust and, possibly, the war to end all wars--perhaps the world itself.¹

The casting of the United States, the United Kingdom, and the Soviet Union into the role of allies in the second World War was an apt illustration of the incongruities and vagaries that fate often deals its mortal subjects. Sometimes termed the "Grand Alliance", a more appropriate term might have been the "Grand Misalliance". Including, as it did, the archetypes of capitalism and communism, the "Grand Alliance" contained the seeds of its own disintegration. Cooperation among the three allies was never easy during the war. Indeed, the path to allied harmony often seemed to be obstructed by elements of discord strewn deliberately by the Soviet Union. At the same time, suspicion of the motives of its Western allies was not lacking on the part of the Russians.

¹"If the nineteenth century, politically speaking, was the era of multiple opportunities, the twentieth century by stark contrast is the day of the single chance" Robert A. Dahl, Congress and Foreign Policy (New York: The Norton Library, W. W. Norton and Co., Inc., 1964), p. 88.

Concessions were made frequently by the Anglo-Americans to their Soviet partners.² Each concession was made in the hope that it would be part of the cement of a cooperative postwar relationship in the interest of enduring world peace.³

The United States had been forced into the war--so it thought; it was fighting to destroy the evils of Fascism, Naziism, and militarism, as exemplified by Germany, Japan, and Italy; and after the war had been won it would much prefer a return to more prosaic enterprises. The war was a nightmarish interlude in the affairs of a people dedicated to less sanguinary pursuits. The sooner it was ended, the better. Therefore, American policy during the war most frequently was dictated by military rather than political ends. There was concern, of course, for the configuration of the postwar world. Great efforts were expended on the planning of a postwar international organization to guarantee the

²An American official of that period asserted, however, that the record of Yalta. ". . . shows clearly that the Soviet Union made greater concessions . . . to the United States and Great Britain than were made to the Soviets" The Yalta Agreements were termed a "diplomatic triumph" for the Western partners in the alliance. Edward R. Stettinius, Jr., Roosevelt and the Russians: The Yalta Conference, ed. Walter Johnson (Garden City, N. Y.: Doubleday and Co., 1949), pp. 295-307.

³It was only at Yalta, late in the war, that Big Three military plans were coordinated for the first time. Ibid., pp. 110-111. One author argues that "Russia was as eager as the West to co-operate. Not until victory seemed certain did Stalin show anxiety to keep the eastern front as his exclusive theatre of military operations" Stephen Borsody, The Triumph of Tyranny: The Nazi and Soviet Conquest of Central Europe (New York: The Macmillan Co., 1960), p. 155. Herman Finer, on the other hand, itemizes the concessions made by the West in the interest of cooperation with Soviet Russia. He points out that Roosevelt consistently attempted to conciliate Russo-British differences and that Britain, under Roosevelt's lead, made serious efforts to get along with the Russians. However, Finer adds that hardly any of the conciliatory actions made to still Russian suspicions "was accepted with clear good grace" America's Destiny (New York: The Macmillan Co., 1947), p. 265.

peacefully-inclined peoples of the world against would-be aggressors of the future. As during World War I and during the planning for the abortive League of Nations, the United States aspired to an idealistic state of affairs in which the specter of power politics could not rear its ugly head. There were, to be sure, realists among America's policy- and opinion-makers. But those who saw clearly the war-time objectives of the Soviet Union frequently had to yield to the primary aim of winning the war.⁴ The peace would take care of itself in due time.

That the peace would not "take care of itself" began to become evident before the war's end. And in only a few short months after the sounds of battle had ebbed, it became apparent that a new struggle, with even higher stakes, was under way.

Although the discordant sounds of World War II have retreated into time, they have not been replaced by notes of harmony. The years since the Axis surrender hardly have been years of tranquil international relations. Hardly at any time since 1945 has the world felt safe from a final and cataclysmic eruption between the two giants of the postwar

⁴United States Ambassador to the Soviet Union Averell Harriman told President Truman on April 20, 1945 that the Russians simultaneously were pursuing policies of cooperation with the United States and Great Britain and extension of control over neighboring states. Some of Stalin's advisers, he said, had interpreted the generosity and desire to cooperate of the United States as "softness" and that the Soviet Union could continue its policies with little risk of being challenged by the United States. Harriman advocated a "reconsideration of our policy and the abandonment of any illusion that the Soviet government was likely soon to act in accordance with the principles to which the rest of the world held in international affairs" Harry S. Truman, Memoirs: Year of Decisions, I (Garden City, N. Y.: Doubleday and Co., 1955), 71. Columnist Walter Lippmann, speaking unofficially, visualized Russia, upon the defeat of Germany and Japan, as the ". . . greatest power in the rear of our indispensable friends . . ." He saw the great danger posed to future international peace in the problem of Soviet Russia's security

era. The dream of Roosevelt and others for a future society of nations so ordered that world war would be impossible, if not unthinkable, had been converted into the reality of bipolarity, the division of the world literally into two armed and antagonistic camps.

In retrospect, only during a short respite after the end of World War II have the people of the United States (and the world) been at "peace". This was so, however, only because their immediate post-war domestic concerns made them blissfully unaware of the power struggle that was gathering force rapidly for an open and convulsive confrontation.⁵

interests on its western frontiers. If the states of Eastern Europe would adopt policies of neutrality, and if the Soviet Union would respect such policies, this would prevent a conflict from arising over this matter between the United States and the Soviet Union. Furthermore, it would give these states the ". . . only form of security we are able to offer them." U. S. Foreign Policy: Shield of the Republic (Boston: Little, Brown and Co., 1943), pp. 145-152. Presented with an accomplished fact at the Yalta Conference, all the United States could do in regard to Eastern Europe was to assure the Russians that it agreed with them on the necessity of having friendly governments on its western borders. The United States believed, however, that this need could be fulfilled through guarantees that Nazi and Fascist elements would not be represented in such freely-established governments. As events were to prove, however, the Soviet security interests could not be met by leaving to chance the composition of such governments, particularly to the risks involved in holding Western-style elections.

⁵Western hopes for postwar cooperation had been buoyed during the war when the Communist International was disbanded. Restrictions on religion within Soviet Russia were lifted and emphasis placed on patriotism to Mother Russia. Immediately after the war, however, a marked reaction occurred. Success in the war was attributed largely to the exemplary characteristics of the Soviet system and to the ideology and orthodoxy of Communism. In August, 1945, Mikhail Kalinin, President of the Supreme Soviet, warned that only the "most immediate" danger to Soviet Russia had disappeared with the defeat of Hitler's Germany. Foreign Minister Molotov, on November 6, 1945, warned against possible "new violators of the peace". Stalin, on February 9, 1946, called for the strengthening of the Soviet industrial base in order to guarantee the country against any "accidents". This speech was termed by United States Supreme Court Justice William O. Douglas as the "Declaration of World War III." In Soviet Russia, in 1945, the Communist Party undertook

The main concern of this dissertation lies in examining one particular aspect of the continuing world struggle between the United States and the Soviet Union. It may be precipitate to characterize this situation, at the outset, as a contest between the United States and the Soviet Union; however, at war's end only these two states could be assessed correctly as great powers. All others by the obvious fact of their relative poverty would fall into one of the orbits of the two giants. Once the United States came to the full realization of its leading world role in the postwar period, the struggle then clearly became one between the two great super-powers and their satellites.

It shall be the primary purpose in the following sections of this chapter to present in outline form the rapid deterioration of the wartime coalition and the accelerating asperity in the relations between two members of that alliance, the United States and the Soviet Union. The end of the wartime cooperation, such as it was, and the division of the world into two antagonistic blocs, can best be seen in the progress of events in Eastern Europe immediately preceding and subsequent to the war's end; in the occupation and resultant division of Germany; in the failure of the Council of Foreign Ministers to

a thorough purge of all elements of cultural and intellectual "cosmopolitanism", i. e., admiration for or recognition of Western achievements. Attacks upon Western culture became increasingly vehement. As before the war, emphasis again was placed on the dangers of "capitalist encirclement". Subjected to a widespread purge also was the Soviet Communist Party. To lessen the potential competition of the Red Army, recent military heroes were downgraded, relegated to obscurity, or worse. William Hardy McNeill, America, Britain, and Russia: Their Cooperation and Conflict, 1941-1946, ed. Arnold Toynbee ("Survey of International Affairs, 1939-1946"; London: by Oxford University Press for the Royal Institute of International Affairs, 1953), pp. 653-655.

resolve basic issues; in Soviet obstructionism in the United Nations; in the economic and political deterioration of Europe following the war; and, finally, in the Greek-Turkish crises leading to the adoption of the Truman Doctrine.

With the promulgation of the Truman Doctrine, a line finally was established between the Soviet Union and the United States--between East and West. But even with this disheartening decline of relations, the United States was to make one further attempt to include the Soviet Union in a venture to build a viable postwar world. This was the Marshall Plan, and on this revolutionary aspect of the postwar foreign policy of the United States shall be placed the primary focus of this dissertation. By the time of its pronouncement, the responsibility of the United States in the postwar world had been brought into clear relief. How the President, the Congress, and the American people responded to the new international challenge shall be the major concern of this dissertation.

The Deterioration of Relations Between the United
States and the Soviet Union after World War II

Eastern Europe-After Yalta

During the period December 7, 1941 to December 31, 1946, there were some 32 major allied conferences and meetings.⁶ Among the more important of these were those involving the heads of state or government of the Big Two or Big Three Allied Powers, such as Casablanca

⁶Ibid., pp. 769-771.

(1943), Cairo (1943), Tehran (1943), Quebec (1944), Moscow (1944), Yalta (1945), and Potsdam (1945).

Because of its implications for the postwar political structure of Europe and the relations between the United States, Britain, and the Soviet Union, the Crimea (Yalta) Conference of February 4-11, 1945, participated in by President Roosevelt, Prime Minister Churchill, and Marshal Stalin, must be regarded as the most significant and far-reaching. At the Yalta Conference, the Big Three dealt with the terms for Russia's entry into the war against Japan; the voting formula in the Security Council of the proposed United Nations Organization; the Polish problem; Allied policy toward Germany; and Allied policy in the areas of Europe liberated from Nazi rule.

Roosevelt was hopeful that at Yalta had been laid the foundation for a stable world order, to be guaranteed through the cooperation of the major powers functioning through the United Nations. It is difficult to attribute any such motives to Stalin. It is possible that even he looked forward to a period of international stability, during which the Soviet Union would recoup its terrible losses of the war years and renew its mission of world Communism. It is also possible that Stalin departed from the ill-starred Crimea Conference confident that he had been dealing with men who envisioned relationships in the postwar world much as he did, i. e., a world in which power politics would continue to be the order of the day, despite the window-dressing afforded by the United Nations Organization.⁷

⁷Stalin, at Yalta, was bluntly explicit in his view that the peace should be maintained by Russia, Britain, and the United States.

Regardless of speculations as to Stalin's motives at the time, the post-Yalta record indicates clearly that the Conference meant one thing to the Anglo-American participants and another to the Russians. The hard truth of the matter was that the Russian Army was in control of much of Eastern Europe at the time of the Crimea Conference and its westward drive continued until the German capital of Berlin was reached. This fact dictated not only the outcome of the Yalta deliberations with respect to Eastern Europe, but the future course of events in all of Europe.⁸

The "Declaration on Liberated Europe", drawn up and subscribed to by the Big Three at Yalta, looked hopefully toward a period of post-war cooperation between the Three Powers "in meeting the political and economic problems of liberated Europe in accordance with democratic principles".⁹ Also, it looked forward to the ". . . restoration of sovereign rights and self-government to those peoples who have been forcibly deprived of them by the aggressor nations."¹⁰ This was viewed not just as a desirable end but as a responsibility jointly assumed by

It was "ridiculous", he said, that a small country "like Albania" should have a voice equal to one of the Big Three Powers. As late as February 4, 1945, Secretary of State Stettinius felt that no progress had been made "toward building a world organization based on recognition of the sovereign rights of all nations." Stettinius, pp. 112-114, 116.

⁸At the time of the Yalta Conference, American and British armies had just repulsed the German counter-offensive in Belgium; the Rhine had not yet been bridged; and the Allied advance in Italy had bogged down. With the exception of most of Czechoslovakia, all of Eastern Europe was in the hands of the Red Army. Ibid., pp. 300-301.

⁹Ibid., p. 335.

¹⁰Ibid., p. 343.

the Big Three Powers. In addition, the hope was expressed that France would associate itself with the Three Powers in this effort. Joint assistance of the Big Three was anticipated for any European-liberated state or former Axis satellite in Europe where, in the judgment of the Three Powers, conditions require

(a) to establish conditions of internal peace; (b) to carry out emergency measures for the relief of distressed peoples; (c) to form interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment through free elections of governments responsive to the will of the people; and (d) to facilitate where necessary the holding of such elections.¹¹

A "Declaration on Poland", agreed upon by the Conference, called for reorganization of the Provisional Government then functioning in Poland " . . . on a broader democratic basis with the inclusion of democratic leaders from Poland itself and from Poles abroad" Soviet Foreign Minister V. M. Molotov, United States Ambassador to Russia Averell Harriman, and British Ambassador to Russia Sir A. Clark Kerr were constituted a commission to consult in Moscow with democratic Polish leaders from within Poland and from abroad with a view toward reorganizing the Polish Provisional Government. The reorganized government, to be called the Polish Provisional Government of National Unity, would be " . . . pledged to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot" The Three Powers pledged to establish diplomatic relations with the new government, as soon as it had been reorganized on the lines described in the Declaration. Further, the Three Powers

¹¹Ibid., pp. 343-344.

recognized the Curzon Line, with digressions in Poland's favor, as the eastern boundary of Poland. Although the necessity for "substantial accessions of territory in the North and West" was recognized, the final delimitation of the western Polish boundary was left to the Peace Conference.¹²

Finally, the Three Powers recommended, in regard to Yugoslavia, that the Tito-Subasitch Agreement should be put into effect immediately and that a new government should be formed on the basis of this Agreement.¹³

The underlying assumption of the Yalta agreements regarding Eastern Europe, in so far as the United States was concerned, was that the war-time cooperation of the Big Three, and particularly as this cooperation appeared to be manifested at Yalta, would continue into the postwar period. Although the United States recognized and supported the Soviet desire for security of its western frontiers against future aggressors, it believed that this security could be obtained through measures designed to insure that Nazi and Fascist governments did not again rise to power in Germany or in any of the states of Eastern Europe. Thus, in the view of the United States, both the security requirements of the Soviet Union for its western frontiers and the aspirations for

¹²Ibid., pp. 346-347.

¹³Ibid., p. 347. Dr. Ivan Subasitch, of the London Yugoslav Government-in-Exile, and Marshal Tito, leader of the Yugoslav Partisans, had been brought together by the British and Russians and had agreed to join in the formation of an interim government, with Tito as Premier and Subasitch as Foreign Minister. The agreement called also for the holding of free and unfettered elections and the establishment of a truly representative government. Tito further agreed to the establishment of a regency in place of King Peter. Ibid., p. 217.

freedom among the peoples of Eastern Europe would be met through the establishment of democratic regimes in those states and through the subjugation and ultimate democratization of Germany.

Although a signatory to the same Yalta Agreements to which the United States and Great Britain had acceded, the Soviet Union had a radically different interpretation of those agreements and of its security requirements. No longer were its western frontiers to be dependent upon "buffer zones", "balance-of-power" arrangements, or other devices beyond its control to manipulate in accordance with its own considered needs.¹⁴

Long before the Yalta Conference convened, events had been set in motion which had as their design the ultimate stabilization of the western Soviet frontiers. During the period of the Molotov-Ribbentrop Pact, this objective seemed assured, if any faith could be put in the Nazi partners of this nefarious scheme.¹⁵ When this rapprochement

¹⁴Herman Finer, in 1947, contended that the primary concern of the Soviet Union was with the ". . . security of the land of the Soviet revolution. If they can acquire influence and domination abroad, well and good--but not to pursue this at an exorbitant cost, such as a tangible risk of war." Finer, pp. 280-281. Another author, however, doubted that Soviet expansionist moves were motivated by desire for security or by fear and suspicion of the outside world. ". . . It would place a considerable strain on a sympathetic imagination to believe that the security of the Soviet Union, which included within its 1939 frontiers almost one-sixth of the land surface of the globe, was seriously imperiled by the independent existence of such small neighbor states as Latvia, Lithuania, and Estonia" William Henry Chamberlin, The European Cockpit (New York: The Macmillan Co., 1947), pp. 60-61.

¹⁵Signed in Moscow on August 23, 1939. In a secret protocol, the two parties agreed to a delineation of Soviet and German spheres of interest in the Baltic states, Poland, and Southeastern Europe. Germany declared its complete disinterest in Southeastern Europe. U. S., Department of State, Documents on German Foreign Policy, 1918-1945, Publication 6462 (Washington: U. S. Government Printing Office, 1956), pp. 245-247.

had served its purpose and the Nazis had turned upon their erstwhile ally, the Soviets sought assurances from their new Western allies that they would not be denied the fruits gained during the period of Nazi-Soviet agreement. Such assurances were not forthcoming, although the British were not as optimistic as their American partners in regard to entering a new era free of "power politics" and "spheres of influence". The United States insisted, however, that territorial settlements must await the postwar peace negotiations.¹⁶

By the time the Big Three met at Yalta, however, at least some responsible officials of the United States State Department were becoming concerned with the realities of the situation in Eastern Europe. They recognized Soviet aspirations in this area and that now, with the rejuvenated and victorious Red Army rolling ominously westward, there was little that could be done to prevent the complete realization of these ambitions. Thus, the "Declaration on Liberated Europe" was

¹⁶ During the negotiations for the Anglo-Soviet treaty of alliance, which was signed on May 25, 1942, the Soviets asked Great Britain to recognize their claims to Estonia, Latvia, Lithuania, and portions of Finland, Poland and Rumania. Britain would not grant the Soviet request. The United States threatened to denounce any treaty containing any such recognition. However, in August, 1942, Churchill, meeting with Stalin in Moscow, conceded the "predominant interest" of the Soviet Union in Poland, Czechoslovakia, Hungary, Rumania, Yugoslavia and Bulgaria. The "predominant interest" of Great Britain in Greece was recognized by Stalin. In the summer of 1944, an agreement was reached between the British and the Russians whereby Rumanian and Bulgarian affairs temporarily would be "mainly" the concern of the Russians and Greek affairs would be a British concern. Roosevelt reluctantly agreed to a three-months' trial of this arrangement, again cautioning against the creation of spheres of interest. In October 1944, at Moscow, Churchill and Eden agreed that Russia should have 90 percent predominance in Rumania, 75 percent in Bulgaria; Britain should have 90 percent predominance in Greece, while they should have equal influence in Yugoslavia and Hungary. Borsody, pp. 158-160, 170-171, 174.

prepared and expectantly presented to the Big Three at Yalta.¹⁷

As events were to prove, mere words were no effective deterrent to Soviet ambitions in Eastern Europe. While its Western partners were concentrating on the war effort, the Soviet Union had been looking to the future.

The actual Soviet conquest of Eastern Europe occurred as the Red Army sped through the area in the final months of the war. As the Nazi yoke was lifted, another was put in its place.

Before his death, President Roosevelt became alarmed at reports reaching him about Soviet actions in Eastern Europe. He did not relinquish hope, however, that Russia would continue to cooperate with

¹⁷One of those officials was Philip E. Mosely. He writes that by mid-1943, among those experts and diplomats of the State Department " . . . who had more time for reflection and prognostication in a period of 'technological unemployment' imposed on them in time of war [there was] no wish to escape into rosy dreams of a conflictless world. The studies prepared by the Country and Area Committees within the Department of State during 1943 and 1944 will show, when published, that there was a keen awareness of the menace of Soviet domination over East Central Europe and an equally keen desire to ward off this menace. And both this awareness and this desire were fully shared by the Department's Committee on Post-war Programs." Mosely also reports, however, that "serious cleavages" existed among President Roosevelt's various military and political advisers. There was an especially serious cleavage between the State and War Departments. Roosevelt's military advisers believed that the United States should accept no responsibilities in spheres outside its own theaters of military command. This resulted in the Mediterranean and East Central European areas being treated as primarily British concerns. As late as April 23, 1945, Secretary of War Stimson argued that the Balkans were not in the sphere of United States action. The United States, therefore, should exercise caution in opposing Soviet violations of the Yalta Agreements in this area. Philip E. Mosely, "Hopes and Failures: American Policy Toward East Central Europe, 1941-1947," The Fate of East Central Europe: Hopes and Failures of American Foreign Policy, ed. Stephen D. Kertesz (Notre Dame, Ind.: University of Notre Dame Press, 1956), pp. 57, 60, 62-63.

America and Britain in the postwar world.¹⁸ President Truman was advised, upon assuming office, that the Soviet representatives were acting unilaterally in the liberated and former Axis satellite states of Eastern Europe.¹⁹ Prime Minister Churchill sought unsuccessfully to get agreement from Truman for the Western armies to push as far to the east as possible before the ultimate Nazi surrender, in order that the West might have more bargaining power against the Russians after the end of hostilities. President Truman, however, believed that if Britain and the United States did not adhere to the letter of prior commitments, they could not expect the Russians to do likewise.²⁰ It was not to become obvious to the Americans for many months yet that their view of solemn undertakings and that of the Soviets were diametrically and unalterably opposed.

The complete consolidation of the Soviet control of Eastern Europe did not occur simultaneously with "liberation" by the Red Army. The pattern, however, was similar in each country. In some cases, take-over was accomplished by native Communists who had gone underground during the war years to harass their Nazi oppressors. This

¹⁸Borsody, p. 206.

¹⁹Ibid., pp. 197-198.

²⁰After fighting had ceased in Europe, Churchill, on June 4, 1945 in a message to Truman, said he viewed ". . . with profound misgivings the retreat of the American army to our line of occupation in the Central Sector, thus bringing Soviet power into the heart of Western Europe and the descent of an iron curtain between us and everything to the eastward." Truman, I, 243-246, 298, 301-302. President Truman was quoted as saying in early 1946 that ". . . if I had known then [1945] what I know now, I would have ordered the troops to go to the western boundaries of Russia." Herbert Agar, The Unquiet Years (London: Rupert Hart-Davis, 1957), pp. 60-61.

was true in Albania and Yugoslavia.²¹ In other countries, Moscow-trained Communists returned to their homelands with the liberating Red Army to establish governments, ostensibly for the purpose of maintaining order in the rear of the advancing Red Army.

During the immediate postwar period, an effort was made to give the Eastern European governments the appearance, at least, of the "respectability" required by the Yalta Agreements, although appearances did not equate with actuality. This was the era of the coalition regimes, in which were found representatives of all parties, with the exception, of course, of the Nazis and Fascists. In these governments, the Communists were not always in the majority. They did, however, gain control quickly and deliberately of such vital ministries as police, army, communications, and information.²² At the opportune time, it was but a short step from dominance of these crucial posts to complete control.

Non-Communists in the Eastern European coalition regimes were not long in learning that their participation in governmental affairs was to be at the sufferance of the Soviets and their local vassals. Gradually, all actual non-Communists were forced out of such governments, although the fiction of separate parties was continued for varying periods in the different countries. Non-Communist politicians who actively opposed Soviet policies were removed through intimidation, threats, and actual violence. In their places came those who were

²¹Hugh Seton-Watson, The East European Revolution (New York: Frederick A. Praeger, Inc., 1951), p. 168.

²²Ibid., pp. 169-170.

willing to sacrifice principle for position. The independent agrarian parties, who provided the Communists with their primary and most persistent opposition, were systematically suppressed and eliminated, usually amid charges of "Fascist reaction". When the Communist takeover was complete, the fiction of separate parties was eliminated. Paradoxically, this was termed by the Communists as a further step along the road to greater democracy.²³

The "iron curtain" between East and West descended with seemingly utter finality upon the Communist seizure of power in Czechoslovakia in February, 1948. Events preceding the Czechoslovak coup, of course, did not proceed mechanically, yet the Communist plan was apparent from an early date.

President Truman was advised on April 13, 1945 that the Russians were using their dominant position on the Allied Control Councils in Rumania, Bulgaria, and Hungary to interfere unilaterally in the political activities of these countries. At the same time, he was informed that Ambassador Harriman's efforts in Moscow to implement the Yalta decisions relative to Poland were being sabotaged by the Russians.²⁴ Only ten days later, the Polish situation had deteriorated to such an extent that President Truman and his principal advisers were forced to consider the possibility of an imminent break in relations with the Soviet Union.²⁵ On May 2, 1945, Truman was advised that the Communists

²³Ibid., pp. 170-171.

²⁴Truman, I, 15-17.

²⁵Ibid., pp. 85-86.

were dominating the governments of Rumania and Bulgaria, despite the wishes of the people, and were initiating measures to tie these countries economically and politically to the Soviet Union.²⁶ Only as a consequence of the efforts of Harry Hopkins, dispatched to Moscow to consult personally with Marshal Stalin, was the Polish stalemate ended.²⁷ Even then, the resulting Provisional Government was dominated by Poles favored by Moscow. Mikolajczyk, the London Pole whose inclusion in the Provisional Government was insisted upon by the United States and Great Britain, was forced out of that Government in the summer of 1946, and by the autumn of 1947 the facade of multi-party representation in the Government was ended.²⁸

In Albania and Yugoslavia, complete domination of the governments by the Communists was effected almost upon the cessation of hostilities. The Tito-Subasitch Agreement was carried out ostensibly, with Tito becoming Premier and Subasitch Foreign Minister. It soon became obvious, however, that opposition to the Communists would not be tolerated.²⁹ In Bulgaria and Rumania, the fiction of broadly

²⁶Ibid., p. 254.

²⁷On commenting to President Truman on the results of the Hopkins visit with Stalin during May 26-June 7, 1945, Ambassador Harriman said he was ". . . afraid that Stalin does not and never will fully understand our interest in a free Poland as a matter of principle. The Russian Premier is a realist in all his actions, and it is hard for him to appreciate our faith in abstract principles. It is difficult for him to understand why we should want to interfere with Soviet policy in a country like Poland which he considers so important to Russia's security unless we have some ulterior motive. He does, however, appreciate that he must deal with the position we have taken . . ." Ibid., p. 263.

²⁸Seton-Watson, pp. 169-171.

²⁹Ibid., p. 168; Borsody, pp. 204-205.

representative multi-party governments was maintained until the fall of 1947. In Hungary, the step to final Communist dictatorship was taken in the spring of 1948. After February, 1948, the Communists tolerated no opposition in Czechoslovakia.³⁰

During the period in which Communist political control of Eastern Europe was being implemented, it was being supplemented by a network of political and economic treaties between the Soviet Union and the various Eastern European states and between these countries and each other. During the period from December 12, 1943, to April 6, 1948, the Soviet Union concluded "treaties of friendship, cooperation and mutual assistance" with Czechoslovakia, Poland, Rumania, Hungary, Bulgaria, Yugoslavia, and Finland. Each of these was a treaty of military alliance, defining the terms under which it would become operative and prohibiting the signatory from joining in coalitions directed against the Soviet Union.³¹

As political control was cemented by the Communists in Eastern Europe, constitutional forms based on the Soviet model were adopted. Sovietization of the national life then was undertaken in earnest.³² The model here, again, was the Soviet Union, with the emphasis on nationalization of big industry, mining and banking, rapid industrialization, agrarian reforms and mechanization of agriculture. As in Soviet

³⁰Seton-Watson, pp. 170-171.

³¹Jacob B. Hoptner, "The Structure of the Soviet Orbit," Challenge in Eastern Europe, ed. C. E. Black (New Brunswick, N. J.: Princeton University Press, 1954), pp. 201-202.

³²Seton-Watson, p. 171.

Russia, no aspect of life escaped its role in the total Communist design.³³

Economically, the Eastern European satellites became more and more a complementary part of the vast Soviet economy as they were tied to the Soviet Union in a series of trade and barter arrangements. In addition, the Soviets encouraged the satellites to trade among themselves and to avoid wasteful competition.³⁴

Obviously, the Communist take-over of Eastern Europe did not go unnoticed in the West. Initially, although protests were offered to the turn of events, the hope was maintained that the Soviet desire for security against future aggression would not extend to actual conquest of its weak western neighbors, especially if guarantees could be given to the Russians that never again would they be required to face a German onslaught alone. By 1947, however, it became apparent that the Soviet Union did not entrust others with its own defense. Some observers, as has been pointed out, attributed less charitable and more sinister motives to Soviet actions in Eastern Europe and elsewhere. With the Western awakening to the realities of the Soviet threat came the Truman Doctrine and the Marshall Plan for European reconstruction. There came, also, increasingly abrasive criticisms of the Yalta Agreements and malignment of the responsible United States officials. There was little criticism at the time of the Conference, however. In the United States there existed a vast reservoir of good will toward the

³³Ibid., pp. 265-268, 277, 297, 307.

³⁴Ibid., pp. 259-262.

Soviet Union. After all, it was accomplishing magnificently its part of the Allied war aim--the total destruction of Nazi Germany.

At Yalta, both Roosevelt and Churchill had been aware of the changed power structure in Europe and the world. Roosevelt perhaps was more optimistic than the latter regarding the implications of this change for postwar peace and stability. However, at Yalta, the two Western leaders had these major objectives: first, to end the war as quickly as possible, utilizing all possible Soviet aid to this end; second, to insure the success of the projected United Nations Organization through measures necessary to guarantee continued Soviet participation in the victorious war-time alliance. The cooperation of Soviet Russia was deemed indispensable, by the most trusted advisers of the two leaders, to both a rapid conclusion of the war and to a successful organization of the peace. The Russians were fully cognizant of their bargaining position and were prepared to realize its maximum advantage.

The Western leaders did not "give away" anything at Yalta that was within their power to withhold. President Roosevelt, upon the almost unanimous advice of his highest and most trusted advisers, military and political, was convinced that many months of costly warfare lay ahead for the United States even after victory over Germany. He was advised that the Soviet Union had to be brought into the war against Japan, in order to minimize United States losses. Even with Russian support, and even with the knowledge that soon the United States would have completed its first atomic bomb, it was assumed that victory over Japan could not be achieved for some eighteen months beyond the end of the European war.

The Yalta Agreements have been denounced as morally indefensible. Yet, at Yalta, Roosevelt and Churchill were presented with a fait accompli in Poland, Central and Southeastern Europe, and the Far East. It may be argued that the two Western leaders should have stood firmly on principle and resisted all Soviet demands. Neither of the two refused to argue his convictions with Stalin. Yet the Red Army was in actual physical control of territory long considered vital to the security of the Soviet Union. Neither Roosevelt nor Churchill was prepared to deny that the Soviet Union had legitimate security interests in this area. In the end, all they could hope for was that the Russians would honor their formal agreements. It was a calculated risk which was taken--and lost. Nothing short of armed conflict could have reversed the tide of events which was set in motion by the victorious Red Army as it swiftly forged westward during the waning months of the war. The people of the Western world were in no mood to commence war with the Russians in 1945.³⁵

³⁵For a scholarly and thoroughly documented interpretation of the decisions at the Yalta Conference, see John L. Snell (ed.) et al., The Meaning of Yalta: Big Three Diplomacy and The New Balance of Power (Baton Rouge: Louisiana State University Press, 1956). The swift demobilization of American armed forces after the end of hostilities probably encouraged the Russians to proceed less cautiously than they otherwise might have been inclined. At any rate, this could only serve to weaken the voice with which the United States spoke in international affairs. Both Roosevelt and his adviser, James F. Byrnes, had let it be known at Yalta that the American public would not countenance a direct and prolonged involvement of the United States in European affairs. Churchill was dismayed and alarmed. Stalin was non-committal. Stettinius, pp. 88-89, 121, 127, 139. On October 29, 1945, General Marshall stated: "For the moment, in a widespread emotional crisis of the American people, demobilization has become, in effect, disintegration, not only of the armed forces, but apparently of all conception of world responsibility and what it demands of us." Quoted in Finer, p. 29.

The Division of Germany Between East and West

Nowhere has the split between East and West been more vividly dramatized than in Germany. Beaten to its knees by the vengeful forces of the United States, the United Kingdom, and the Soviet Union, Germany became the focal point as well as the main prize in the struggle which erupted between the recent allies.

In 1945, prostrate Germany was the scourge of the earth. There was unanimous agreement that future security in Europe depended upon utter and complete destruction of Naziism and the slime from which it was spawned. By 1948, however, Germans were being told that their destiny lay, on the one hand, with the West, and on the other, with the East. The Germans themselves had little voice in the struggle, since they still were an occupied country. With the East-West schism becoming even more pronounced, it was a likely conclusion that the areas under occupation by the United States, the United Kingdom, and France would develop along lines favored by those powers and that the area occupied by the Soviet Union would become an outpost of Soviet Communism in the heart of Central Europe. By 1948, sporadic pleas for German reunification could be discarded largely as propaganda--from whatever the source.

Germany divided between East and West was as little foreseen as was the rapid Soviet conquest of Eastern Europe. Here, as elsewhere, postwar cooperation of the war-time allies was assumed. Divergences of interest there were sure to be, yet these would be composed within the pacific framework afforded by the new United Nations Organization.

At the Moscow Foreign Ministers' Conference in October, 1943, Secretary of State Hull, British Foreign Secretary Eden, and Soviet

Foreign Minister Molotov established the European Advisory Commission, with headquarters in London, to work out common postwar policies toward Germany. The Commission did adopt a plan for establishing zones of occupation but was unsuccessful in reaching agreement on a coordinated policy for the post-war treatment of Germany. Certain prominent Americans advocated severe punishment for the defeated Germany.³⁶

At Yalta, in February, 1945, the Big Three secretly agreed that Germany should be dismembered following final Allied victory and that knowledge of this fate should be imparted to the Germans in the terms of surrender.³⁷ In addition, the Yalta conferees agreed that Germany should be disarmed and demilitarized. To guarantee observance of the terms of surrender, Germany would be divided into occupation zones. In addition to zones for the Big Three Powers, an occupation zone for France would be formed out of the British and American zones. Coordinated administration and control was to be provided by a Central Control Commission, composed of the top military commanders of the occupying powers. France would be given a seat on the Control Commission if it accepted a zone of occupation.³⁸

³⁶Sumner Welles favored splitting Germany into several states. Henry Morgenthau, Jr. advocated the "pastoralization" of Germany by removing all industrial plants from the Ruhr and flooding the Ruhr mines. These ideas were resisted vigorously by the State and War Departments. John C. Campbell et al., The United States in World Affairs, 1945-1947 (New York: Published for the Council on Foreign Relations by Harper and Brothers, 1947), p. 166; Henry Morgenthau, Jr., Germany Is Our Problem (New York: Harper and Brothers, 1945), pp. 1-4; Philip E. Mosely, "Dismemberment of Germany," Foreign Affairs, XXVIII (April, 1950), 488-498; Philip E. Mosely, "The Occupation of Germany," Ibid., XXVIII (July, 1950), 590-594.

³⁷Stettinius, pp. 121-126.

³⁸Ibid., p. 334.

Although no definite amount was stipulated in the agreement, the Big Three decided that Germany would be required to pay in kind for the losses caused by her to the Allies during the war. The exact amount of reparations and a detailed plan for exaction thereof was to be worked out by an Allied Reparation Commission, consisting of one member each from the United States, the United Kingdom, and the Soviet Union.³⁹

Punishment of war criminals and extirpation of all Nazi influences from German life were other declared aims of the Big Three at Yalta.⁴⁰

The policies to be followed by the victorious allies in the post-war treatment of Germany were delineated further at the Potsdam Conference, during July 17-August 2, 1945. As stipulated in the Protocol to the Conference, the Allied Control Council was to be guided by certain political and economic principles in the occupation of Germany. These included:

(I) The complete disarmament and demilitarization of Germany and the elimination or control of all German industry that could be used for military production

(II) To convince the German people that they have suffered a total military defeat and that they cannot escape responsibility for what they have brought upon themselves

(III) To destroy the National Socialist party and its affiliated and supervised organizations, to dissolve all Nazi institutions, to insure that they are not revived in any form and to prevent all Nazi and militarist activity or propoganda.

(IV) To prepare for the eventual reconstruction of

³⁹U. S., Department of State, Foreign Relations of the United States, Diplomatic Papers: The Conferences at Malta and Yalta, 1945, Publication 6199 (Washington: U. S. Government Printing Office, 1955), pp. 978-979.

⁴⁰Ibid., pp. 970-971.

German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany.⁴¹

Nazi laws were to be abolished; war criminals, Nazi leaders and other influential Nazis were to be punished; Nazis were to be removed from office in public and private agencies; German education was to be controlled so as to eliminate Nazi and militarist doctrines; the judicial system was to be reorganized in accordance with democratic principles; the political structure was to be decentralized and local responsibility developed. Although no central German Government was to be established immediately, the Potsdam Agreements did call for the creation of central German administrative departments, particularly in the fields of finance, transport, communications, foreign trade, and industry. These were to function under the direction and control of the Allied Control Council.⁴²

In the sphere of economics, the Control Council was directed to eliminate Germany's war potential. Germany was not to be permitted to produce arms, ammunition and implements of war, aircraft or sea-going ships. Production of items directly necessary to a war economy were to be rigidly controlled. Productive capacity not needed for permitted production was to be removed for reparations or destroyed. The German economy was to be decentralized, with primary emphasis to be placed on the development of agriculture and peaceful domestic industries. The

⁴¹Raymond Dennett and Robert K. Turner (eds.), Documents on American Foreign Relations, July 1, 1945-December 31, 1946, VIII (Princeton: Published for The World Peace Foundation by Princeton University Press, 1948), p. 927. Cited hereafter as Documents on American Foreign Relations.

⁴²Ibid., pp. 927-928.

nation, however, was to be treated as an economic unit. Production of goods and services required to meet the needs of the occupation forces and displaced persons and to maintain in Germany average living standards not exceeding the average for all European countries was to be assured.⁴³

The payment of reparations was not to be so excessive as to require external assistance for Germany. The proceeds from exports from current production and stocks was to be made available in the first place for payment of approved imports. The Soviet Union's reparations claims were to be met by removals from its occupation zone and from German external assets. Reparations claims of Poland were to be met from the Russian share, and the claims of the United States, United Kingdom, and other countries were to be met from the Western zones and from German external assets. In addition, the Soviet Union was to receive from the Western zones 15 percent of the usable industrial capital equipment not necessary for the peace economy, in exchange for an equivalent value of specified commodities. It also was to receive another 10 percent of such industrial capital equipment not necessary for a peace economy, without payment or exchange of any kind in return.⁴⁴

The success of the Potsdam accords, and Germany's eventual re-entry into the family of nations, depended completely upon the cooperation achieved by the occupying powers. Events in Eastern Europe indicated, however, that the Soviet Union was bent upon a unilateral course of action throughout Europe. In Germany, the inner contradictions among

⁴³Ibid., pp. 928-929.

⁴⁴Ibid., pp. 930-931.

the Four Powers revealed their irreconcilable nature soon after the beginning of the occupation. Only upon matters of the most perfunctory nature could accord be reached. Ironically, not the Russians, but the French provided the initial obstructions to the achievement of the objectives of Potsdam. Although assigned a zone of occupation and given a seat on the Allied Control Council as a result of the Yalta decisions, France was not a signatory to the Potsdam Agreements. It could, as a consequence, pursue a unilateral course when it so desired. In view of the French fear of German military and economic strength, France offered repeated opposition to measures by which centralized authority would be placed in German hands.⁴⁵

At the beginning of the occupation, the Soviet Union expressed a desire for a unified Germany.⁴⁶ This, of course, could enhance the possibilities for eventual communization of all Germany. The frequently expressed desire of the United States to disengage itself from German and European affairs at the earliest possible opportunity could only have encouraged Soviet hopes for the attainment of its ultimate objectives.⁴⁷ The Western powers were opposed to the creation of a highly centralized administration as Germany's future government. The United States and Great Britain persistently advocated the creation of a centralized economic administration for Germany, as had been directed by the Potsdam Agreements.⁴⁸ In regard to Germany's future political organi-

⁴⁵Lucius D. Clay, Decision in Germany (Garden City, N. Y.: Doubleday and Co., 1950), pp. 157, 160-161, 350-353.

⁴⁶McNeill, p. 167.

⁴⁷Stettinius, pp. 88-89, 121, 127, 139; McNeill, p. 532.

⁴⁸Clay, pp. 40-41, 163-185.

zation, however, they agreed upon a federal system, with Great Britain advocating a higher degree of centralization than was considered wise by the United States. A federal system was believed best suited to prevent the re-establishment of a highly centralized, militaristic German state.⁴⁹ France obstinately opposed any but the most decentralized type of administrative structure for post-occupation Germany.⁵⁰

Although advocating a centralized political administration for Germany, the Russians consistently obstructed British and American efforts to effect the unified economic administration directed at Potsdam. This obstructionism in pursuit of immediate objectives ultimately thwarted a long-term Soviet objective. Short-term Soviet policy had as its objective the securing of German reparations in amounts which would both deplete the German war potential and also contribute toward reconstruction of war devastation in the Soviet Union.⁵¹ No agreement could be reached among the Allied Powers as to the final amount of reparations to be assessed against the Germans.⁵² In view of the stalemate, the Russians were to be permitted to exact and withdraw reparations in advance of the anticipated settlement. These advance reparations were to be credited against the final sum allotted to the Soviet Union.⁵³ It had been agreed at Potsdam that no reparations

⁴⁹Ibid., p. 396.

⁵⁰Ibid., pp. 39, 396.

⁵¹Peter Nettl, "German Reparations in the Soviet Empire," Foreign Affairs, XXIX (January, 1951), 300-308.

⁵²Stettinius, pp. 266-267; Clay, p. 319.

⁵³McNeill, p. 623.

would be taken from current German production. In order to minimize occupation costs upon the occupying powers, each zone was to provide for the whole the goods and services for which it was best equipped.⁵⁴ In this vital function, however, both the French and the Russians refused to cooperate. In addition, the Soviet authorities continued to exact reparations from current German production. This policy had been adopted upon the realization of the wastefulness of the earlier policy of removing plants and equipment to the Soviet Union. By leaving the plants in operation in the Soviet zone to produce for reparations, jobs were created for German laborers. This gave the Russians a political advantage, at least temporarily, due to employment problems in the Western zones which had been exacerbated by the great influx of expellees and refugees from the former German territories and Eastern Europe, and also by the Russian refusal to provide the Western zones with needed raw materials. Soviet authorities refused to make an accounting of the withdrawals of equipment from their zone, in addition to the open abrogation of the understanding reached at Potsdam.⁵⁵

As a result of the Soviet intransigence, the American and British zones were merged for economic administration in January, 1947. However, they retained their separate identities for military administration. American offers to Russia and France to join in the merger were rejected.⁵⁶

⁵⁴Ibid.

⁵⁵Clay, pp. 121-122.

⁵⁶Ibid., p. 163.

During 1947, the Allied Control Council increasingly became a forum for Soviet propogandistic harangues against the Western Powers. Efforts at Four Power cooperation ended with the Soviet walkout from the Council in March, 1948. In defense of their actions, the Russians charged the Western Powers with attempting to create a separate German state. Soviet opposition was expressed also to the currency reform which was to be undertaken in the Western zones.⁵⁷

The actual division of Germany had begun prior to the Soviet walkout from the Control Council. From the outset of the occupation, Soviet policy in its zone was directed toward the creation of a replica of the Eastern European satellites. The Soviets were the first of the occupying powers to permit the formation of political parties.⁵⁸ Although the parties initially were allowed a certain freedom from interference, election results soon proved that such liberalism was not conducive to the attainment of Soviet objectives.⁵⁹ A fusion of the Social Democratic Party (SPD) with the Communist Party (KPD) was directed in April, 1946, prior to zonal elections. The resulting party was a "united worker's party" or, as it was known officially, the Socialist Unity Party (SED). This party was to become the instrument for the fulfillment of Soviet policy in the Soviet zone.⁶⁰ Both the

⁵⁷Ibid., pp. 349-357.

⁵⁸Beate Ruhm von Oppen (ed.), Documents on Germany Under Occupation, 1945-1954 (London: by Oxford University Press for the Royal Institute of International Affairs, 1955), pp. 37-39.

⁵⁹Joachim Joesten, Germany: What Now? (Chicago: Ziff-Davis Publishing Co., 1948), pp. 63-72.

⁶⁰Ibid., pp. 136-144.

SED and the nominal opposition parties gradually were purged of all elements opposed to Soviet policy.⁶¹

The sovietization of the Russian zone was pursued further in the socialization measures taken in agriculture and industry.⁶² These measures included divesting the Junker landowners of their large holdings and dividing them among small farmers, agricultural workers and refugees, and nationalization of major industries in the name of the working population.⁶³

In their refusal to participate in a unified economic administration of Germany, both the French and the Russians erected zonal barriers to trade and communications. These barriers became increasingly difficult to surmount.⁶⁴ The French gradually were induced to lower their zonal barriers and to cooperate with the Anglo-American bizonia for economic purposes. This cooperation was extended further when, at a conference in London during February and March, 1948, it was agreed that the three Western zones should be merged and that the German population would be permitted to establish a Government for the merged area. The Germans were to be permitted to call a constituent assembly in September, 1948. Simultaneously, the three occupying powers would draw up an Occupation Statute which would transfer the functions

⁶¹J. P. Nettl, The Eastern Zone and Soviet Policy in Germany, 1945-50 (London: Oxford University Press, 1951), pp. 99-114.

⁶²Ibid., pp. 151-184; Ruhm von Oppen, pp. 59-64.

⁶³Peter Nettl, "Economic Checks on German Unity," Foreign Affairs, XXX (July, 1952), 559-560.

⁶⁴Clay, pp. 111-112.

of military government to a civilian High Commission.⁶⁵

The Western Powers were charged by the Soviets with perpetuating the division of Germany.⁶⁶ However, the Soviet authorities had laid the foundation for an East German Government prior to the action of the Western Powers. An embryonic central government had been created in the Soviet zone in 1945. Its scope gradually was extended to the degree that the transformation to a governmental status was but a change in name. A "People's Congress" was summoned in December, 1947, and met at various times during 1948. It had embryonic governmental organs in the forms of a "People's Council" and a Presidium. This Congress approved a constitution, ostensibly drafted for all of Germany, which envisaged the formation of a "People's Republic" similar to the satellite states of Eastern Europe. This constitution became the fundamental law for the German Democratic Republic, which was proclaimed on October 7, 1949, following the establishment of the first Government of the West German Federal Republic.⁶⁷

The threat of territorial dismemberment ultimately was abandoned by the occupying powers as one side and then the other vied for the favor of the German people. Dismemberment did occur, in fact, as the division of Germany between East and West became more concrete. The Russians by unilateral action prior to the Potsdam Conference had transferred to

⁶⁵Ibid., pp. 404-406.

⁶⁶Ibid., pp. 355-357.

⁶⁷Peter Calvocoressi, Survey of International Affairs, 1947-1948 (London: by Oxford University Press for the Royal Institute of International Affairs, 1952), pp. 257-260.

Polish "administration" that part of Germany under Soviet control to the east of the Oder-Western Neisse Line, with the exception of the Baltic port of Koenigsberg and its immediate environs. This area contained Germany's second-largest coal deposits, its second most concentrated industrial area, and its most important food producing regions. One-fourth of Germany's pre-war food supply had come from this area. Since Germany was required to import from 20 percent to 25 percent of its foodstuffs, the loss of this area to the industrialized western zones was a serious handicap to their economic revival.⁶⁸

This Soviet action was protested vigorously at Potsdam. Marshal Stalin argued that the advancing Red Army had required an effective administration of the liberated areas in order that subversive activities did not hinder its forward movement. It had been necessary, therefore, to turn this area over to the Poles since the German population had fled.⁶⁹ In the hope that concessions might be gained from the Russians elsewhere, Truman and Churchill reluctantly agreed to postpone the final solution of this problem until the peace conference.⁷⁰

Since there had not been established a central German Government with which a peace treaty could be negotiated, the severance of this territory from Germany assumed the characteristics of permanency. Not only did this action deprive Germany of valuable territory and

⁶⁸James P. Warburg, Germany-Bridge or Battleground (New York: Harcourt, Brace and Co., 1946, 1947), pp. 30-31.

⁶⁹Truman, I, 366-367.

⁷⁰Ibid., pp. 367-370.

force millions of people into an already over-crowded rump-Germany, but also it resulted in the dissolution of the feudalistic Prussian state, the symbol of German arrogance and militarism. It placed Poland in perpetual dependence upon the Soviet Union because of the fear of German revanchism.⁷¹

A common level of industry for the German economy was agreed upon by the Allied Control Council in December, 1945. This was an absolute minimum for subsistence, and for it to be attained, the cooperation of each zone was essential. The Russians, realizing the relative wastefulness of their dismantling and removal policies, began extracting reparations from the current production in their zone. This openly violated the Potsdam directives. When they would neither cease this practice nor account for the equipment previously removed, the Americans halted deliveries of advance reparations from their zone in the spring of 1946. Soon the British acted similarly. They justified their actions on the ground that the Soviet policies were forcing them to subsidize their zones. Until the Russians agreed to treat Germany as an economic whole, they would receive no further reparations from the Western zones.⁷²

In the summer of 1946, the Russians expropriated over two hundred of the largest industrial works in their zone. Thenceforth they were termed "Soviet Corporations". This action also was a contravention of the Potsdam Agreements which had directed the decentrali-

⁷¹Warburg, p. 95.

⁷²Clay, pp. 120-122.

zation of German industry. Three-fourths of the production of the expropriated industries went direct to the Soviet Union or was exported on Soviet account; one-fourth went to the East German economy, which was required to contribute a disproportionate share of the raw materials.⁷³

Early in the occupation of Germany it became more and more apparent that the independent courses of action being pursued in the four occupation zones were not only preventing German recovery but also the recovery of all Europe. Its geographic location in the heart of Europe, its physical and economic resources, the energy and skills of its people, long had made Germany a vital factor in the economic well-being of all Europe. Acceptance of this fact lay behind the American and British zonal merger in 1947 and the 1948 merger of the three Western zones in order to facilitate the economic and political rehabilitation of the truncated West Germany. Conscientious efforts had been made by the Americans and British to apply the Potsdam principles to the occupation of Germany; yet, in the end, Germany had ceased to be the enemy on the day its defeated armies laid down their arms. This fact did not become apparent until the division of Germany between East and West had become a reality.

The Council of Foreign Ministers: Failure to
Resolve Basic Issues

The Council of Foreign Ministers was established by the heads of government of the United States, Great Britain, and the Soviet Union,

⁷³Nettl, Foreign Affairs, XXIX (January, 1951), 300.

at the Potsdam Conference. It was to be composed of the Foreign Ministers of those three states, France, and China.⁷⁴

The immediate task of the Council was to prepare peace treaties for Italy, Rumania, Bulgaria, Hungary, and Finland. It was also to propose settlements of territorial questions outstanding at the end of the European war. In addition, the Council was to be utilized in preparing the peace settlement for Germany. That settlement, however, would have to await the establishment of a German Government empowered to accept a treaty. In preparing the peace treaties, the Council was to be composed of members representing those states which signed the terms of surrender imposed on the state concerned. For the purpose of the Italian treaty, France was to be regarded as a signatory to the Italian surrender. In addition to the preparation of the peace treaties, the Council could consider other matters by agreement.⁷⁵

Behind the creation of the Council of Foreign Ministers was an awareness that agreement among the great powers was indispensable in preparing peace terms for the defeated enemy states. Although the smaller nations who participated in the struggle against the Axis would be given some voice in the peace settlements, it would be recommendatory, largely, and could not be expressed until basic issues had been settled among the great powers.

⁷⁴Documents on American Foreign Relations, VIII, 925. Churchill had proposed at Yalta that the Big Three Foreign Ministers meet every three months. Both Stalin and Roosevelt agreed. Stettinius, p. 216.

⁷⁵Documents on American Foreign Relations, VIII, 925.

When the Council was created the war still was in progress. Cooperation among the members of the Grand Alliance still was the rule rather than the exception. Danger signals had appeared on the horizon, particularly in Eastern Europe; yet hopes were strong at Potsdam that the postwar period would be witness to a new era of international cooperation.

The Council held its first meeting in London, beginning on September 11, 1945. The war was over and, when the Council terminated its fruitless deliberations on October 2, it appeared that the era of war-time cooperation had ended as well. It quickly became apparent that the primary task confronting the Foreign Ministers was to resolve the differences between the Soviet Union and the Western Powers which had now been brought into the open. At stake were the power relationships in Eastern Europe and the Mediterranean. Already dominant in Eastern Europe, the Soviet Union now challenged the Western Powers in the Mediterranean area.⁷⁶

Following the initial meeting in London, further sessions were held in Moscow, Paris, and New York. It was not until December, 1946, in New York, that final agreement was reached on the terms of the peace settlements to be imposed on Italy, Rumania, Bulgaria, Hungary, and Finland. During the course of the several meetings, relations between East and West had deteriorated progressively. Each meeting was marked by increasing bitterness, rancor, and by an obviously widening divergence of purposes, in that precious little agreement emerged from the

⁷⁶Campbell, pp. 64-69.

series of meetings. The insignificant role in drafting the peace settlements given to the smaller states who had been associated with the Great Powers in the struggle against the Axis only emphasized the emerging bipolar structure of international politics. Increasingly, the least consequential occurrence on the world political scene would serve as a powerful magnet in attracting the contending forces.

The peace settlements which emerged ultimately from the discordant proceedings of the Council of Foreign Ministers were regarded as unsatisfactory to the interests of the United States. Although concessions were made by the Soviet Union during the bargaining, it did not relinquish its tenacious grip on its predominant position in Eastern Europe. The United States had hoped to preserve at least a modicum of influence in this area, yet it found itself confronted with the same situation with which it had to contend at Yalta: the ominous presence of Soviet power in Eastern Europe. Thus, the United States had to take what it could get, under the circumstances. It may have had little significance for the outcome of the negotiations, yet during this period American postwar foreign policy had not crystallized firmly. A "get tough with the Russians" attitude was developing, yet American policy often seemed to vacillate and to be at cross-purposes. The United States was striving for influence in Eastern Europe at the same time it was allowing its once awesome military power to disintegrate. Its leaders spoke of early withdrawal from further active participation in European affairs simultaneously as they competed for influence in areas vital to the security of the Soviet Union. Great reliance was put in the new United Nations Organization as the ultimate hope of

mankind although the limitations of that body were readily apparent.

The peace settlements served only as technical mechanisms to end the state of war existing between the former enemies and the victorious Allies and also to allow the vanquished states to resume their places in the family of nations. Germany, so vital a prize in the developing East-West struggle, could not expect a peace treaty or reunification until the larger issue of East-West relations was settled. This proved obvious during the course of further futile negotiations during 1947. For the former enemy states of Eastern Europe, ratification of the peace treaties restored only nominal sovereignty since, in reality, they already were safely ensconced within the confines of the vast Soviet empire.

In another setting, the rising antipathy between Eastern and Western components of the victorious war-time alliance had produced stalemate in the incipient United Nations Organization.

Soviet Obstructionism in the United Nations

In contrast to its role in the years after World War I when it quickly retreated into its shell of isolationism, the United States very early during World War II took the lead in activities designed to establish a more effective successor to the defunct League of Nations. As plans for the projected United Nations Organization crystallized, it was recognized by American planners that only through cooperation among the great powers could the new organization realistically function in a world of conflicting interests. This realization, and their great hopes for the future, led those responsible for the direction of

American foreign policy to demonstrate at every opportunity their good will toward their Soviet ally. As the war progressed, American policy-makers realistically assayed the changed status of the Soviet Union as a world power of the first magnitude. Her cooperation would be as indispensable in peace as it was in the war.⁷⁷

At the Yalta Conference, final plans were laid for establishing the United Nations Organization. A conference on the proposed organization was scheduled to begin in San Francisco on April 25, 1945.

Because it was recognized that the proposed organization could not preserve the peace effectively without unanimity among the great powers, the Big Three agreed at Yalta to support at the San Francisco conference a proposal that all matters before the Security Council, other than procedural, must be decided by the affirmative votes of the five permanent members (United States, United Kingdom, Soviet Union, France, and China). Thus, any of the five could block effective action by the Security Council when it so chose. This provision was adopted at San Francisco, over the objections of the smaller participating states. It was this provision which was the rock upon which the United

⁷⁷For the war-time planning on the United Nations Organization, see Cordell Hull, Memoirs (2 vols.; New York: The Macmillan Co., 1948), particularly Vol. II. Because President Roosevelt largely was his own Secretary of State, Hull had much time during the war to devote to this project. Hull, who had served as Secretary of State since 1933, did not participate actively in any of the frequent war-time conferences between Roosevelt and Churchill nor did he attend any of the Big Three heads of government conferences. He dismissed these meetings as being "primarily military". Ibid., I, 95. Secretary Hull did venture to Moscow in 1943 for a meeting of the Big Three Foreign Ministers. Here he met Stalin and departed with the conviction that Russia would be a willing participant in postwar cooperation for peace. Ibid., II, 1311, 1464-1465.

Nations floundered from its inception. Without such a "veto", however, it is unlikely that the Senate would have accepted the Charter and United States participation in the organization. Isolationism may have been in its death throes, but it was by no means dead. Its complement, nationalism, was in no mortal danger. Ironically, the most frequent, and the most irresponsible, use of the "veto" has been by the Soviet Union. Frequent use of the "veto" during the formative years of the world organization changed from exuberance to dismay the attitudes of those who had looked to the United Nations as a "new beginning" in international relations.

Conceived in an atmosphere of cooperation, the United Nations has been nurtured on conflict. Rather than cure the ills of the world, World War II exposed its survivors to newer and more perplexing maladies. From its organizational meeting onward, the United Nations has been the focal point of the continuing world crisis.

The steady erosion in relations between the United States and the Soviet Union was reflected in the deadlock which gripped the United Nations during 1946 and 1947. One of the few proposals to which the Russians offered no objections was that to establish the permanent headquarters of the new organization in the United States.⁷⁸ The areas of dispute were many. These included the selection of the first Secretary-General, the crisis over removal of Soviet troops from Iran, international control of atomic energy, the care and treatment of displaced persons and refugees, British troops in Greece, the Greek civil

⁷⁸Campbell, p. 84.

war, American assistance to Greece and Turkey under the Truman Doctrine, conventional disarmament, implementation of Article 43 of the Charter (placing armed forces at the disposal of the Security Council), the Corfu Channel incidents between Albania and Great Britain, selection of a Governor for the Free Territory of Trieste, admission of new members to the United Nations, voting in the Security Council, and European reconstruction.

From the outset, the Soviet Union apparently had assumed no genuine community of interests with the other members of the United Nations, with the possible exception of those members over which it exercised political or economic dominance. It appeared to use the United Nations as another mechanism to serve the interests of Soviet foreign policy. As the months passed, it became brutally evident that the war-time community of interests between Russia and its Western partners had evaporated or, possibly, had never existed. Instead of "one world" there were two, and the points at which the two met were as seething volcanoes waiting to erupt.⁷⁹

⁷⁹Charles O. Lerche, Jr., Foreign Policy of the American People (2d ed.; Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1961), p. 212. Another author argued that the Soviet Union was ". . . just as genuinely interested as other nations in the success of the United Nations . . . Constant vilification of the Western powers by the Soviet press and radio is a measure of defense rather than attack . . ." Russia could not "relax" its "vigilance" because it was ". . . convinced that the struggle against Naziism and Fascism is not over . . ." Vera Micheles Dean, The United States and Russia (Cambridge: Harvard University Press, 1948), pp. 134, 137-138. On the other hand, responsible American officials and, gradually, the American public adopted the interpretation offered in 1947 by George F. Kennan. In Kennan's analysis, the unswerving Soviet faith in the Marxist-Leninist ideology should be the guidepost to Western policy vis-a-vis the Soviet Union. The accepted Soviet ideology warned of an "innate antagonism" between capitalism and socialism. ". . . There

The reasons for the obstructionism of the Soviet Union in the United Nations, indeed, the motives underlying its actions in general, are locked deeply in the many mysteries of the Kremlin. Generally, Soviet actions have been interpreted as being motivated by deliberate aggressiveness or by concerns for security. The two are not entirely unrelated, although no attempt to separate them will be made here. However, an undue concern for security could lead to aggression, and successful aggression could lead to security.

After Eastern Europe had been engulfed and swallowed into the Soviet domain, most Americans tended to treat Soviet belligerence as a reflection of its aggressive tendencies. They tended to forget that the newly-found concern of the United States in matters far outside its previous span of interest may have given the Soviets pause in regard to

can never be on Moscow's side any sincere assumption of a community of aims between the Soviet Union and powers which are regarded as capitalism" Kennan warned against being misled by "tactical maneuvers" which might seem to indicate a "mellowing" of the Soviet antagonism toward the West. He predicted a long period in which Western relations with the Soviet Union would be difficult and frustrating in the extreme. The Soviets were in no hurry since the Marxian dialectic tells them history is on their side. With such faith in inevitable victory, there cannot possibly be any meeting of minds between Soviet and Western policy-makers. Therefore, said Kennan, we can speak to them only with facts--" facts of unchallengeable validity." Because they have learned caution and flexibility, both as Russians and as Communists, retreat is not defeat nor is it a cause for panic. Both Russian history and Communist ideology teach of the hostility of the outside world. Soviet intransigence ultimately provoked a reaction which seemed to justify the original suspicion, hostility, and aggressiveness. Therefore, Kennan concludes, ". . . the main element of any United States policy toward the Soviet Union must be that of a long-term, patient but firm and vigilant containment of Russian expansive tendencies" American Diplomacy: 1900-1950 (New York: A Mentor Book, Published by the New American Library, 1952), pp. 105-113. Kennan's thesis originally was published under the pseudonym "X", "The Sources of Soviet Conduct," Foreign Affairs, XXV (July, 1947), 566-582.

their security interests. Being constantly out-voted in the United Nations probably gave them little assurance that their security could best be entrusted to the operations of this ostensibly Western-controlled organization.

Although the United States increasingly found itself embroiled in matters of varied scope and description, it consistently tried to assure the suspicious Russians that its only aspiration for the postwar world was that of peace. Only when the Soviet take-over in Eastern Europe was complete, and only then, did the United States conclude that the Soviets respected force more than evidences of good intentions. As long as no objections were made, political vacuums the world over would be filled by the avid Russians. Belatedly, the United States concluded that, in the future, its verbal protests must be supported by displays of the strength and will necessary to carry them through. The growing competition between the two super-powers had been reflected in the rapid degeneration of the United Nations into an arena where the major protagonists of the East-West struggle played their deadly game.

The Economic and Political Deterioration of Europe:

Failure To Re-establish a Viable Economy

The war that ended in 1945 had wrought untold destruction and damage to the nations of Europe in terms of both human and physical resources. Joined to the miseries of war were the natural disasters following its conclusion--the droughts of the immediate postwar summers and the severe cold of the record-shattering winters which, in a seeming conspiracy of fate, paralyzed efforts toward European reconstruction.

The deliberate efforts of indigenous Communists to contribute to, and ultimately to capitalize upon, the chaos, led responsible American officials to the formulation of a plan of assistance which was to revolutionize American foreign policy.⁸⁰

Europe's most critical problem, in the summer of 1945, was to repair the physical devastation caused by the war. No amount of effort could repair the destruction of human lives and spirits. Reconstruction efforts were handicapped seriously by the Potsdam decisions not to re-establish immediately a German Government and to place severe limitations on the German economy. The Allied administration of Germany as four separate states contributed heavily to the eventual failure to reconstruct the European economy without massive external assistance.⁸¹

⁸⁰One postwar visitor to Europe left Great Britain with ". . . an impression of grim austerity, of hard though plucky struggle with economic obstacles so serious as to be almost unmanageable. One finds in France and Italy deep lines of internal division, governments so divided as to be almost impotent, much hatred and disgust among classes and political parties, and a creeping inflation that threatens to undo the beneficial results of the economic progress which has been achieved since the end of the war. Germany in 1946 seemed to have touched almost the lowest conceivable level of hopeless desolation." Chamberlin, p. 225. Another visitor commented: "A striking fact to visitors accustomed to the intense political acuteness of the Old Europe is that the passions of this Europe which scrimps, stands in queues, does without, are not closely related to intellectual programs or ideological objectives. Hopes and disappointments . . . are measured in buckets of coal, ounces of bread, packets of cigarettes, and a vote goes wherever it seems most likely at the moment to increase the supply of these and other life essentials." Hamilton Fish Armstrong, "Europe Revisited," Foreign Affairs, XXV (July, 1947), 538.

⁸¹The November, 1947 meeting of the Council of Foreign Ministers, in Moscow, had faltered due to inability to reach agreement on a German policy and peace settlement. By that time, however, German unity had become of secondary importance in Western thinking as compared to European economic reconstruction. In their view, Germany was to have a vital role in European economic rehabilitation. If German unity could be achieved only on Soviet terms, it would be best to integrate Western

In the pre-war period, Germany was the primary market for and supplier of the nations of Western Europe. Unless it was returned to its normal role in Europe's economy, the adjustments necessary to compensate for its loss appeared insurmountable. The dislocations of pre-war trade and commercial patterns caused by the almost total severance of Eastern from Western Europe and its subsequent political and economic reorientation toward the Soviet Union contributed significantly to the problems of reconstruction.

Allied leaders recognized early in the war that the fighting would leave in its wake problems of vast scope. Generous assistance would be required in order to prevent utter chaos and the loss of untold millions of innocent victims to plague, pestilence, disease, and starvation. Thus, during the war, the United Nations Relief and Rehabilitation Administration (UNRRA) was created to provide food, clothing and shelter to needy persons in war-devastated areas of Europe and Asia. In regard to rehabilitation it was to provide "assistance in the resumption of urgently needed agricultural and industrial production and restoration of essential services." Member states agreed to contribute 1 percent of their respective national incomes to the agency's efforts. These contributions eventually produced a grand total of approximately \$4 billion.⁸² Of this total, the United States Government provided \$2.7 billion, or 72 percent of UNRRA's operating budget.⁸³ Of the American

Germany into the program for reconstruction of Europe and shelve, at least temporarily, hopes for German reunification.

⁸²Campbell, pp. 316-320.

⁸³U. S., Congressional Record, 80th Cong., 1st Sess., 1947, XCIII, Part 1, 38.

contribution, recipient nations included Austria, Belgium, China, Czechoslovakia, France, Germany, Greece, Italy, Korea, Luxembourg, Netherlands, Norway, Philippines, Poland, Sweden, Switzerland, the United Kingdom, the U. S. S. R., Turkey, and Yugoslavia. UNRRA assistance was of inestimable value not only in preventing widespread starvation and disease in Europe but also in contributing to the restoration of essential services, such as in transportation and communications. The agency became embroiled in the general East-West controversy, however, and the United States declined to make any further contributions after December 31, 1946. Dependent almost entirely upon the United States for its resources, the agency therefore ceased its activities. President Truman warned Congress on January 3, 1947, however, that further assistance would be required by some of the war-devastated countries during 1947. The President, and the State Department, recommended that such relief needs be met through bilateral arrangements between the supplying and recipient nations. The United Nations would be used as an information center in the enterprise.⁸⁴

During the period from the end of the war to July 1, 1947, the United States Government provided a total of \$16.3 billion in assistance

⁸⁴Ibid., pp. 38-39. There were many complaints heard in Congress that the United States was carrying too great a share of the UNRRA burden while receiving too little credit for its contributions from the recipient nations and that those in charge of UNRRA's administration had shown "gross incompetence" and had voted themselves "exorbitant" salaries. There were also complaints that over 80 percent of the organization's personnel was comprised of citizens of countries other than the United States. Its officials were charged with spreading anti-American propaganda. Demands were made for supervision of American relief by Americans. See Ibid., Part 2, pp. 1473-1475, for criticisms expressed by Representative Vursell (R., Ill.).

to war-devastated areas throughout the world. Of this total, some \$12.1 billion were provided to European countries. The assistance took two forms: repayable loans and credits, and relief and special grants not requiring specific repayment. Of the \$12.1 billion European total, \$7,977,000,000 was in the form of repayable loans and credits, while \$4,183,000,000 was in grants and other relief.⁸⁵ Until early in 1947, responsible American officials had assumed that the European economy could be restored to normal through temporary "stop-gap" assistance, on a country-by-country basis. The need for a long-term, comprehensive reconstruction effort had not been contemplated seriously. Ironically, on February 21, 1947, President Truman, in a request that Congress authorize the appropriation of \$350 million in post-UNRRA relief for liberated countries, suggested that this sum should be used only for the "basic essentials of life". He envisaged the task of providing relief to war-devastated areas as "nearly finished".⁸⁶

The countries of Western Europe have many features in common. They are largely industrial nations and must import large amounts of food for their peoples, raw materials for their factories, and must have secure markets for their industrial products. Of the Western

⁸⁵U. S., Congress, Senate, The European Recovery Program: Basic Documents and Background Information, 80th Cong., 1st Sess., 1947, Document No. 11, pp. 30-32. Cited hereafter as U. S. Senate, The European Recovery Program: Basic Documents and Background Information.

⁸⁶Congressional Record, XCIII, Part 1, 1301. The United States promoted the establishment and the work, not only of UNRRA but also of the Emergency Economic Commission for Europe, the Emergency Inland Transport Organization, the Emergency Coal Organization, the Bretton Woods agreements, the Interim Commission on Food and Agriculture, and

European nations, only Denmark is a net exporter of food. After the war, the severe summer droughts and winter freezes, the spring floods in England, the shortages of agricultural machinery, farm animals, fertilizers, and farm labor, further reduced the ability of these nations to feed themselves.⁸⁷

Before the war, Western Europe possessed sufficient coal and iron resources for its needs. It had to import other important industrial raw materials, especially nonferrous metals, cotton, wool, lumber, pulp and paper, rubber, petroleum, and tropical products. Because existing stockpiles of these materials, as well as slender natural resources of some of them, were exhausted during the war, these nations were even more dependent on imports after the war's end.⁸⁸

Foreign trade is indispensable to the progress and well-being of the nations of Western Europe. They must import food and industrial raw materials and must export to obtain the necessary foreign exchange to pay for their imports. In the pre-war period their imports ordinarily were greater than their exports. Western Europe paid for this

the Food and Agriculture Organization. Mosely, The Fate of East Central Europe, p. 56. To supervise postwar United States lending, the Administration created in 1945 the National Advisory Council on International Financial and Monetary Problems, consisting of Henry A. Wallace, Secretary of Commerce; Marriner S. Eccles, Chairman of the Federal Reserve Board; William McChesney Martin, Jr., Chairman of the Export-Import Bank; John Snyder, Secretary of the Treasury; and William L. Clayton, Under Secretary of State for Economic Affairs. Although America's postwar relief and lending was viewed as a means of preventing economic and social disorder, it was not conceived initially as being "anti-Russian" or "anti-Communist". Congressional Record, XCIII, Part 10, A149-150..

⁸⁷U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 11-12.

⁸⁸Ibid., p. 12.

excess of imports over exports through "invisible" items in the balance of trade, i.e., earnings from shipping, insurance, overseas investments, remittances from emigrants, and money spent by tourists in Europe.⁸⁹

Mines, factories, machinery, equipment, and transportation facilities suffered enormous destruction during the war. Over two years after the war's end, Europe had made only a start in reconstruction. Even those countries which may have had the necessary foreign exchange found difficulties in obtaining vitally-needed raw materials and industrial and transportation equipment. Another important factor in Western Europe's inability to reconstruct a viable postwar economy was the dislocation of the pre-war commercial, financial and business relationships in each country. Labor was neither as productive nor as plentiful as in pre-war Europe. Millions of laborers were killed or displaced by the war. The postwar labor force possessed inadequate food, shelter, and clothing. The laborer was paid in inflated currency and paid high prices for the few goods available for purchase. In consequence of the low output of the factories, farmers had few incentives for delivering their products to the towns and cities.⁹⁰

In the pre-war period Eastern Europe provided much of Western Europe's raw materials, particularly food. Because of the droughts and severe winters of the immediate postwar years, Eastern Europe's food

⁸⁹Ibid., p. 13.

⁹⁰Ibid., pp. 13-14.

production was curtailed seriously.⁹¹ In many instances only UNRRA and other relief prevented widespread starvation. Even though some states in Eastern Europe produced good crops in 1947, Western Europe was confronted with a shortage of the necessary foreign exchange to purchase the available exports. By 1947, in addition, the nations of Eastern Europe had been drawn more tightly into the economic and political orbit of the Soviet Union. Western trade with these countries had become increasingly difficult.

Western Europe had to look elsewhere for its needed food, industrial raw materials and equipment which previously had come from Eastern Europe or colonial areas. These could be found, largely, only in the United States, Canada, and Latin America, where dollars were required in payment. Unfortunately, Western Europe was able to re-establish only 60 percent of its exports to the dollar areas. This dollar gap was much greater than in the pre-war period, since at that time Western Europe did not make so many purchases from dollar areas. Because of the war's destruction of her shipping resources, her forced liquidation of overseas investments, and the severely reduced earnings from tourists, Western Europe lacked the necessary dollars to pay for the excess of its imports over its exports. Much of the assistance provided by the United States immediately following the war was used to finance the trade deficit with the dollar areas.⁹² Because of worldwide postwar inflation, the foreign trade efforts of Western Europe were even further restricted.

⁹¹Ibid., p. 15.

⁹²Ibid.

Efforts to expand exports and restrict imports, and thereby achieve a balance of trade, led to the increased use of such devices as import and export quotas, barter and compensation agreements, blocked currency funds, and thus to even more greatly curtailed foreign trade activities.⁹³

On its own, and through loans, credits, and other temporary assistance from outside, Europe by 1947 had made gratifying strides toward economic recovery, despite its extreme difficulties in foreign trade. Using 1937 as the index year (100), by June, 1947, the industrial production of Belgium was 85, Denmark 100, France 97, Italy 52 (March), the Netherlands 91, Norway 122 (May), and Sweden 108. The United Kingdom's industrial production was at 102 in 1946 and, in the same year, Austrian industrial production was 41. Using 1936 as the index year, industrial production in the United States zone of occupation in Germany was 48 in June, 1947, and in the British zone industrial production was 34.⁹⁴ It should be stressed that these production levels represent a concentration on reconstruction and capital replacement, not on expansion of plant and increased production of consumer items.

Despite recovery in some areas, production of coal and steel was still far below pre-war production in 1947. Agricultural production for Europe as a whole was not quite 80 percent of pre-war production. Consumption lagged far behind recovery in production. Thus even though

⁹³Ibid., pp. 15-16.

⁹⁴Ibid., p. 19.

Europe's progress in reconstruction was encouraging, its existing resources and the fruits of production were severely over-taxed. For example, out of production had to come consumption, maintenance and depreciation of existing capital equipment, normal capital expansion and, in addition, production had to compensate for war destruction. Populations were greater, due to normal population growth and to mass movements of people to Western Europe. Food was available only to the extent necessary to sustain life. The margin was extremely precarious in some countries. Rationing was necessary, in accordance with the type of work being performed, age, sex, general state of health, etc. The housing situation was desperate, and the situation in clothing and shoes was critical.⁹⁵ Exports did increase with the war's end and the attempted return to normal patterns of economic life. However, domestic requirements severely limited the amounts available for export while import needs were expanded greatly above pre-war requirements.

Except for Germany, the European countries in the pre-war period generally had "price-profit" economies. During the war, of course, these mechanisms were disrupted. Postwar efforts to return to "free" economies however, were unsuccessful initially, due to scarcities of goods, monetary disturbances, etc. Therefore, price controls, rationing, allocations, priorities, and other controls were retained in varying degrees in the

⁹⁵ Ibid., pp. 21-25. A world-wide famine was viewed as a distinct possibility in the winter of 1945-1946. Truman, I, 467. A series of emergency measures was announced by President Truman on February 6, 1946, designed to render greater United States assistance in meeting the food crisis. American efforts were hampered by transportation strikes in late 1945 and early 1946. Campbell, pp. 326-328.

several countries. However, price controls could not hold and rationing and allocations systems proved inadequate. Inflation and black markets existed in Austria, Germany, France, Greece, and Italy. In Germany a barter market developed and, to a certain extent, barter markets existed in Austria, France, and Italy. International trade carried on by the European countries was largely on a barter or bilateral basis.⁹⁶

Because they lacked the means of securing essential imports, the situation had become critical in mid-1947, particularly in Austria, France, and Italy. By that time the latter countries had exhausted nearly all their means of securing needed imports of food, clothing, and industrial raw materials. Unemployment and increased internal instability appeared to be the next steps in the general deterioration. Austrian needs currently were being supplied through the foreign relief program of the United States. France and Italy, in the summer of 1947, took steps to eliminate all but absolutely essential imports. It was expected that without assistance France would be unable by December to purchase food or fuel. By January Italy was expected to be in as desperate a plight.⁹⁷

⁹⁶U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 24-25.

⁹⁷Ibid., pp. 65-66. The world-wide "dollar crisis" was magnified by the fact that prices increased by one-third in a nine-months' period during 1946 and 1947 in the United States, the leading "supplying" nation. In addition to the critical situations in Austria, France, and Italy, which were considered the most serious, Denmark, Holland, and Sweden were forced to reduce their imports. Australia and New Zealand, which were regarded as "supplying" countries, even had to look for ways to reduce dollar imports. Canada and Argentina, also "supplying" nations, faced this expediency in the summer of 1947. Barbara Ward, The West at Bay (New York: W. W. Norton and Co., Inc., 1948), pp. 14-15.

Accompanying the inability of Europe to reconstruct a viable economy in the postwar period were highly unstable political conditions in some of its countries, France and Italy, especially. These conditions made the portent for economic recovery even more ominous. Governments resting on unsteady popular bases could not be expected to undertake and pursue vigorously the programs of economic austerity required to effect rapid and complete recovery. The situation in Greece had deteriorated to such an extent by early 1947 that both economic and military assistance was required from the United States to prevent a complete breakdown of authority and possible Communist takeover.

By early 1947, serious doubts had arisen as to the ability of France to continue as a democratic nation.⁹⁸ In the growing dichotomy between East and West, its retention among the democratic Western nations was considered of vital importance. During this period the largest of the French labor forces, the General Confederation of Labor (CGT), was Communist-dominated. In May, 1948, the Communists still formed the largest party in the National Assembly, although they had had no ministers in the Government since May, 1947. Throughout the year 1946, no Government had been able to remain in power for any extended period. By mid-1947 a coalition under Robert Schuman had made some progress in stabilizing the financial situation, yet both the right and left opposition were capitalizing on the discontent

⁹⁸U. S., Congress, House, Select Committee on Foreign Aid, Final Report on Foreign Aid, 80th Cong., 1st Sess., 1947, H. Rept. 1845 Pursuant to H. Res. 296 (May 1, 1948), p. 154. Cited hereafter as House Select Committee on Foreign Aid, Final Report on Foreign Aid.

of the people. It was feared that if Schuman should be overturned the choice of a Government would be between DeGaulle on the right and the Communists on the left. The likelihood of civil war gave no reason for optimism.⁹⁹

Italy had been beset by crisis since it had left the war in 1943. During the period 1943-1945 it suffered an administrative breakdown. Until June, 1947, its governments, characterized by their administrative inefficiency, largely had been based on a coalition of the Christian Democrats and Communists, the two largest parties. Political unrest had increased among the Italian people, due to the delays among the war-time Allied Powers in reaching agreement on the Italian peace treaty. When the treaty was completed, the Italians considered its provisions too severe. Accompanying the political unrest was a steady deterioration in economic conditions. Italy, of course, had suffered the devastations of war and in the postwar period was confronted with inflation, scarcities, and unemployment. The Italian Communists attempted to capitalize on the dissatisfaction with the peace treaty by directing the malcontent against the Western powers. The Communists accused the Government of being responsible for the serious economic situation. They called for increased wages despite the unavailability of many consumers' goods. Strikes were used to gain political concessions. Hints of civil war were made by the head of the party. An armed Communist underground was known to exist, in addition to a complex of "People's Action Committees". In June, 1947, the Christian Democrats withdrew from the governing coalition and formed

⁹⁹Ibid., pp. 154-168.

a new Government composed of Christian Democrats and Independents. The Communists were charged with deliberately obstructing the efforts of the previous Government to achieve economic recovery. The new Government began a program designed to bolster the domestic economy. It included credit restrictions, increased tax collections, and a reduction in Government expenditures. It was feared, however, that the exclusion of the Communists from the Government would widen the cleavage between them and the rest of the country, resulting in increased Communist efforts to secure control.¹⁰⁰

The economic and political deterioration of Western Europe, the economic and political severance of Eastern from Western Europe, the increasing intransigence of the Soviet Union and its refusal to cooperate with the Western powers, convinced more and more Americans that the United States must assume greater international responsibilities if the world were to be saved from disaster. In the United States the primary threat to peace increasingly was viewed as emanating from the Soviet Union and world Communism. The policy of cooperation having failed, next came the Truman Doctrine.

Greek-Turkish Crisis

In March, 1947, in an apparently sudden denouement, the gradual changes which had been occurring in postwar American foreign policy vis-a-vis the Soviet Union crystallized in the historic and revolutionary

¹⁰⁰ Ibid., pp. 169-180. During the autumn of 1946, stores of arms were found in northern Italy. Since British and American troops were scheduled to withdraw from Italy in 1947 in accordance with the peace treaty, it was presumed that the Communists were preparing for a violent take-over after the departure. McNeill, p. 734.

pronouncement of the Truman Doctrine. Vanished were the remaining hopes that the United States might return to the state of affairs existing prior to the outbreak of the second World War and the cataclysmic chain of events activated by that conflict. With the announcement by Great Britain that it no longer would be able to act as the stabilizing factor in Greece, the United States quickly reached the decision that only it could provide an effective counterweight to Soviet power aspirations in this as well as other parts of the world.

Only the presence of British troops in Greece since its liberation from the Nazis in 1944, and a liberal measure of British and American economic assistance, had kept that country from falling into complete chaos and, ultimately, into the avid Communist hands which sought to gain control. Only through American economic assistance could embattled Turkey continue to maintain the armed forces necessary to withstand Soviet threats to its eastern provinces and to its domination of the Black Sea Straits.

Greece was the sole nation in Eastern and Southeastern Europe which, by 1947, was not Communist-dominated or subject to predominant Soviet influence. Without the assistance promised under the Truman Doctrine, however, it was doubtful that poverty-stricken Greece could remain much longer outside the Communist orbit. The strategic geographic location of Greece was an important factor in the United States decision to take decisive action. The Eastern islands of Greece face Turkey and dominate the entrance to the vital Dardanelles. Crete, on the south, controls Mediterranean lines of communication to the Middle East and India. If Greece were to fall into Communist hands, increased

pressure could be applied to Turkey, Italy, and the Middle East.

Liberated from German rule in 1944, Greece had proceeded immediately into civil war between opposing political factions of the left and right. Even before the war among Eastern Europe's poorest nations, Greece's meager resources suffered heavy damage during the war¹⁰¹ and subsequent intermittent civil wars. Economic recovery was impossible, under the circumstances.

The crisis of 1947 had its beginning in the Metaxas dictatorship of 1936, which was followed by Nazi occupation in 1941. Political parties were suppressed during both periods. The Communists, who were trained to operate clandestinely, continued to function and during the war led the largest resistance movement. Their efforts to gain control of the government after the liberation were resisted by the rightists and by British troops. Internationally-supervised elections in March, 1946 produced a clear victory for the rightist elements, although the Communists did not participate in the elections. A plebiscite in September, 1946, also internationally supervised, led to the restoration of the Greek monarchy. Coalition governments, under the control of the Populist (Royalist) Party, were unsuccessful in effecting any appreciable degree of economic recovery.¹⁰²

¹⁰¹According to an UNRRA survey, one-third of Greece's villages were destroyed. The Corinth canal was blocked and the Peiraeus and Salonica harbors were wrecked. All the main bridges on the Athens-Salonica line were down, 80 percent of its rolling stock and 90 percent of its locomotives lost, large stretches of track wrecked, and many stations and repair shops destroyed. One-half of its draught animals, one-third of its cattle, and 80 percent of its pigs were lost. Two million olive trees, three million fruit trees, and sixty thousand acres of vineyards were destroyed. Cited in Seton-Watson, p. 329.

¹⁰²House Select Committee on Foreign Aid, Final Report on Foreign Aid, p. 194.

Greece was plagued with a multiplicity of political parties, in which factionalism was most intense. More often than not, loyalty to the party was placed above loyalty to the nation. The nation suffered from overcentralization of governmental activities in the capital. When communications were disrupted by guerrilla activities, operations at subordinate levels of government were paralyzed.¹⁰³

The Greek people for long had been accustomed to a low standard of living, due to the nation's infertile, unproductive soil and to over-population. Most of the 7,500,000 Greeks were farmers. Less than a million depended on industry, transportation, communications, and banking for their livelihoods. Even though most of its people are farmers, Greece must import food in order to live. In 1947, the United States supplied over one-third of the food consumed in Greece. Greek exports, never sufficient to cover its import requirements, primarily are agricultural products. Because of the war's destruction, the disruption of international trade, a continuing deficit in the balance of payments, over-population, and the intermittent civil wars, Greece was unsuccessful in re-establishing even its extremely poor pre-war economy.¹⁰⁴ Greece underwent ruinous inflation at least twice prior to the offer of assistance

¹⁰³Ibid.

¹⁰⁴Ibid., p. 196. Agricultural output had risen to 85 percent of pre-war by 1947; industrial production, 70 percent; communications, 50 percent; internal rail transportation, 20 percent of its pre-war load capacity. The merchant fleet had 60 percent of its pre-war tonnage. Electric power output exceeded by 20 percent the pre-war production. Exports were at approximately one-half of the pre-war level and imports (excluding relief aid) were only at approximately 35 percent of pre-war.

under the Truman Doctrine.¹⁰⁵

During the period July 1, 1940-December 31, 1946, Great Britain and the United States contributed a total of \$1,039,861,063 in assistance to Greece (G.B.: \$632,380,000; U. S.: \$407,481,063). Most of this aid was given in the period after liberation. Of aid supplied by UNRRA, \$243,180,331 was from the United States during the period July 1, 1945-December 31, 1946. During the same period, Greece received a property credit in the amount of \$45,000,000 from the Office of the Foreign Liquidation Commission. From the Maritime Commission, Greece received a property credit of \$23,708,903. From the Export-Import Bank, Greece received a credit for \$25,000,000. With the \$300,000,000 it was to receive under the Greek-Turkish Aid Bill (Truman Doctrine), the grand total of postwar aid by the United States to Greece would be \$876,500,000.¹⁰⁶

During the period, and certainly during the debates on the Greek-Turkish Aid Bill, Greece did not remain free of criticism from its benefactors. Its government was censured for failure to take effective action toward achieving a balanced budget, toward instituting tax reforms, toward reducing government and relief payrolls, and toward

¹⁰⁵A new currency was introduced after the German departure in 1944 in an attempt to curb wild inflation. Expenditures were far greater than normal, however, and revenues dwindled to practically nothing. In November, 1944, one dollar (U. S.) was worth 150 new drachmae, 500 in June, 1945, and 5,000 in January, 1946. In June, 1945, the Government attempted to reduce prices and cut bureaucratic expenses, it refused to grant an increase in armed forces' pay, and it levied an "extraordinary contribution" on industrialists and merchants. The success of these endeavors lasted only into the summer. Seton-Watson, pp. 329-331.

¹⁰⁶Congressional Record, XCIII, Part 3, 3151-3153.

controlling speculation and hoarding of vital commodities. Some of its citizens drew criticism for exploiting the economic crisis to further their own selfish interests. The Greeks were criticized for developing an attitude that they could continue existing indefinitely through foreign subsidies. Although it was to be assisted under the Truman Doctrine in improving its governmental administration, Greece was cautioned that leadership could come only from within Greece and until the Greeks developed a greater sense of leadership and self-reliance " . . . Greece will remain an open invitation to imperialist totalitarian powers seeking to exploit its tragedy for their own unscrupulous ends."¹⁰⁷

At London, in January, 1946, the Soviet Union asked the Security Council to consider the situation of the presence of British troops in Greece.¹⁰⁸ British troops had landed in Greece in October, 1944, in the role of liberators, although German troops already had begun an evacuation. In order to prevent a possible coup d' etat by ELAS (National People's Liberation Army), the Communist-led guerrilla army, the British ordered that all such forces be disbanded. ELAS, the most numerous armed force in the country, and EAM (National Liberation Front), its political counterpart, resorted to force rather than surrender their arms and their predominant position. Terroristic acts by ELAS in Athens during the short civil war cost the Communists much

¹⁰⁷House Select Committee on Foreign Aid, Final Report on Foreign Aid, p. 194. In connection with a request for American assistance prior to the March, 1947 crisis, Truman had warned the Greeks "to get their house in order." Truman, I, 522.

¹⁰⁸Campbell, pp. 85-86.

of their public support. Efforts to negotiate a settlement proved futile and, finally, British force prevailed after more than a month of fighting. A peace was then concluded, with ELAS agreeing to disband. Parties associated with EAM could not be represented in the Government.¹⁰⁹

Nothing came of the Soviet demand that the Security Council investigate the matter of British troops in Greece, after the Greek representative declared that the troops were in Greece at the request of the Government.¹¹⁰ However, the Greek Government began to be subjected to a barrage of propaganda from Albanian, Yugoslav, and Bulgarian Communist sources, and in the spring of 1946 fighting erupted again in the north.¹¹¹ Led by the Communists, the guerrillas included many who were motivated not by ideology but by a desire to escape the repressive policies of the right-wing Greek governments. The economic chaos led many to take up arms. Others required little or no motivation to resort to violence.¹¹²

Supporting the guerrillas were the Communist governments of Albania, Yugoslavia, and Bulgaria,¹¹³ who accused the Greek Government of persecuting its national minorities. In August, 1946, Greece was charged in the Security Council with provoking incidents on its northern

¹⁰⁹Ibid., pp. 59-60.

¹¹⁰Ibid., pp. 92-93.

¹¹¹Ibid., p. 91.

¹¹²House Select Committee on Foreign Aid, Final Report on Foreign Aid, pp. 192-193.

¹¹³Ibid., pp. 190, 192-193.

frontiers. A United States proposal to have the Security Council investigate the matter was defeated by Soviet veto,¹¹⁴

When the peace treaties for the former enemy states were under consideration at Paris in the summer of 1946, both Yugoslavia and Bulgaria had pressed unsuccessful claims to Greek territory.¹¹⁵ There may have been some validity in their claims, as with other such claims in fragmented Eastern and Southeastern Europe. However, as after World War I, there was no easy solution to the tangled national minorities problems of this area. The Albanian, Yugoslav, and Bulgarian propaganda offensive against Greece, and their support of the Greek guerrillas generally coincided with the deterioration of relations between the Soviet Union and the West and appeared to be calculated to capitalize upon the disability of the Greek Government to maintain order to the degree necessary to effect a modicum of economic reconstruction.

Britain would have preferred to place its support behind a more moderate government for Greece, but the moderates were unable to organize. The rightists were able to command majority support on the ground of defending Greece against the threats of Communism.¹¹⁶ Even fervent anti-Communists recognized the inconsistencies apparent in rushing to the support of the existing Greek Government as a "bastion of democracy". As before the war, there were extreme contrasts in wealth, with most Greeks falling into the poverty-stricken category.

¹¹⁴Campbell, pp. 148-149.

¹¹⁵Ibid., pp. 146-147.

¹¹⁶Ibid., p. 147.

The wealthy few concentrated upon preserving their wealth, regardless of the consequences for Greece. In addition, a corrupt bureaucracy and a police force noted for its brutality and for excesses under the mantle of fighting Communism did nothing to endear the Government to many of the people and to those who were called upon to provide assistance to Greece. Many recruits were supplied to the rebels because of loose denunciations as "Communists" by personal enemies, business rivals, or the police.¹¹⁷

In December, 1946, the Greek Government charged in the Security Council that Albania, Bulgaria, and Yugoslavia were lending support to the Greek guerrillas. An American resolution to create a Commission to investigate the disturbances on both sides of the Greek frontier was adopted.¹¹⁸ The Commission, upon which all members of the Security Council were represented, assembled in Athens in January, 1947. After on-the-spot investigations there was general agreement on the existence of a threat to the peace but no agreement as to the cause. A majority report, in which eight members concurred, concluded that "Yugoslavia, and to a lesser extent Albania and Bulgaria have supported the guerrilla warfare in Greece." The Russian and Polish representatives attributed blame to the Greeks. The French representative did not reach a conclusion. The majority report noted the unstable conditions in Greece and criticized the Greek Government for permitting excesses against opposition political groups and against Slav and Albanian minorities.

¹¹⁷Seton-Watson, p. 336.

¹¹⁸Campbell, pp. 474-475.

On the other hand, it noted Communist propaganda and the training and organization of Greek refugees in Yugoslavia. It noted Yugoslav and Bulgarian territorial ambitions in Greece and their efforts to promote separatist movements in Greece.¹¹⁹

At the time the Security Council Commission was in Greece, an American economic mission was on the scene endeavoring to determine what measures could be taken to restore the Greek economy. The mission had been undertaken in response to an urgent request of the Greek Government for assistance.¹²⁰ Late in February, 1947, word was received by the United States Government that Great Britain, because of its own economic crisis, was being forced to reduce its foreign commitments. After the end of March, it would no longer be able to continue its support of Greece and Turkey. The 16,000 remaining British troops would be removed from Greece shortly thereafter.¹²¹

While Greece struggled to prevent utter chaos and possible absorption into the Communist world,¹²² its eastern neighbor Turkey also was being confronted with problems having serious import in the growing East-West struggle. Since the war's end, Turkey had been subjected to an increasingly vituperative barrage of Soviet propaganda, blandishments, and threats in regard to the control of the Black Sea

¹¹⁹Ibid., 1947-1948, pp. 387-390.

¹²⁰Ibid., 1945-1947, p. 476.

¹²¹Ibid., pp. 476-477; Truman, I, 99-100.

¹²²On February 18, 1947, Mark Ethridge, of the United States Investigating Commission in Greece, warned of an "impending move by the Communists to seize the country . . ." Harry S. Truman, Memoirs: Years of Trial and Hope, II (New York: Doubleday and Co., Inc., 1956), 99.

Straits. Controversy regarding the Straits was not new in Russian-Turkish relations. However, the insistent Soviet demands for a joint voice in the control of the Straits convinced the Turkish Government that war over the issue was quite possible. The efforts to maintain an army capable of resisting Soviet aggression were more than the backward Turkish economy could support.¹²³

The Soviet Government believed that it had legitimate grievances against Turkey. It objected to the German-Turkish treaty signed in June, 1941. It was incensed at a pro-German pan-Turk group in Turkey who agitated for the separation from Russia of Turkish-populated regions in the Caucasus and Central Asia and called for their independence or their incorporation into Turkey. The Soviets charged also that the Turkish Government had permitted German warships to pass through the Straits during the war. In March, 1945, the Soviet Government renounced the 1925 Treaty of Friendship with Turkey. It said a new treaty would be signed only if Turkey ceded to the Soviet Union its eastern provinces of Kars, Artvin, and Ardahan, allowed the Soviets to establish a base in the Straits, and agreed to the revision of the Montreux Convention of 1936, regarding governance of the Straits. Turkey rejected these demands but did indicate a willingness to consider a revision of the Montreux Convention.¹²⁴ The United States, Great Britain, and the Soviet Union had agreed at the Potsdam Conference, in August, 1945, that the Convention should be revised in view of the Soviet

¹²³Seton-Watson, pp. 351-353.

¹²⁴Ibid.

Union's changed situation.¹²⁵

Violent Soviet propaganda attacks were directed against the Turkish Government, with the Turks replying in kind. In July, 1946, the Soviet Government proposed that a new regime for the Straits be established by the Black Sea Powers and that defense of the Straits be made a joint undertaking of Turkey and the Soviet Union. This was unacceptable to Turkey.¹²⁶ The United States, on August 19, declared that the defense of the Straits would best be entrusted to Turkey alone. If Soviet Black Sea positions should ever be threatened by a non-Black Sea Power, the matter would best be handled in the United Nations.¹²⁷ This was the situation existing in early 1947 when the United States found itself confronted with the crisis in Greece.

¹²⁵Documents on American Foreign Relations, VIII, 936.

¹²⁶McNeill, pp. 713-714. Truman called this an "open bid" by the Russians "to obtain control of Turkey" Truman, II, 96-97.

¹²⁷Seton-Watson, pp. 351-353.

CHAPTER II

AMERICAN DOMESTIC POLITICAL DEVELOPMENTS, 1945-1948

When Harry S. Truman succeeded to the Presidency on April 12, 1945, he was an unknown quantity to the American public. Except for the favorable publicity attached to his role as chairman of a Senate committee investigating the war effort on the home front,¹ Truman's public background was unspectacular and colorless. His brief tenure in the Vice Presidency, overshadowed by the aura surrounding the almost legendary figure in the White House, contributed virtually nothing in equipping him for the responsibilities that were to become his upon the sudden death of the controversial leader who had been at the nation's helm through twelve of its most critical years.²

Genuinely humble as the mantle of leadership was placed on his shoulders,³ President Truman sought the nation's support in continuing

¹Special Committee Investigating the National Defense Program.

²Mr. Truman served as Vice President eighty-two days. The late President Roosevelt was in Washington on fewer than thirty of those eighty-two days. Truman said he saw the President only eight times in the year before Roosevelt's death, Louis W. Koenig (ed.), The Truman Administration: Its Principles and Practice (Washington Square, N. Y.: New York University Press, 1956), p. 2.

³On the morning of April 13, 1945, Mr. Truman's first full day in the Presidency, he told an Associated Press correspondent that ". . . few men in history equaled the one into whose shoes I was stepping and . . . I silently prayed to God that I could measure up to the task." It was accepted generally that Mr. Truman's humility in regard to his

the policies of the fallen Roosevelt toward a successful conclusion of the war effort.⁴ By this time, the war in Europe was proceeding to a rapid conclusion under the momentum of the mighty array of forces assembled by the Grand Alliance. Unknown to President Truman on the day he assumed his awesome responsibilities, an as yet untried secret weapon in the possession of the United States would bring the Pacific war to a close many months ahead of its most optimistically anticipated conclusion.

With the war's end, the American people in the summer of 1945 were eager to resume a way of life approximating "normal". The war had contributed to significant changes in the American style of living. Even though the war had brought sacrifices, a majority of those Americans who had maintained the home front had come to enjoy a vastly improved standard of living during the war years. Their expectations now were much higher and they would not willingly return to the austere existence of the depressed 1930's. The new way of life had been made possible by the tremendous sums of money poured into the economy by the Federal government in the war effort. The expenditures of the Roosevelt Administration toward effecting recovery from the Great Depression were infinitesimal in comparison to the wartime expenditures. Despite the obvious reason for the comparative prosperity enjoyed by America

ability to carry out the tasks of the Presidency, although initially causing a surge of popular sympathy and support, ultimately led to some difficulties in asserting his authority.

⁴Mr. Truman told members of the Cabinet on April 12, 1945, that he intended to carry on with the late President Roosevelt's policies. In his first message to Congress, delivered in person on April 16, 1945, Mr. Truman gave reassurances that he would continue the policies of the New Deal. Truman, I, 9; Congressional Quarterly, Vol. I No. 2 (Apr.-June, 1945), 415-432.

as it prepared to re-enter a period of international peace, the role of the government in the economy was to constitute the prime issue dividing the nation politically in the postwar years.

During his first months in office, President Truman enjoyed the enthusiastic support of the nation. His excellent relations with Congress were attributed to the friendships he had built and to the knowledge he had acquired of the functioning of that body during his years in the United States Senate. Those first months in the Presidency, however, were months during which the nation remained united in the great cause of winning the war.⁵

With peace would come new problems requiring vigorous leadership, if the reconversion to peaceful pursuits were to mean the continuation of a virtually full employment economy. Possibly the foremost question during the immediate postwar years was whether the United States would sink into disastrous economic depression. If it did, it would be accompanied on its descent by the rest of the world. The eyes of the world, therefore, watched expectantly as the United States converted from war to peace.⁶

The transition to a peacetime economy did not proceed smoothly or uneventfully. As a matter of fact, the transition never was made

⁵A Roper poll in August, 1945 indicated that 72 percent of those polled rated President Truman's conduct of foreign affairs "good" to "excellent"; 70 percent rated his handling of Congress "good" to "excellent"; and 64 percent rated his handling of domestic problems "good" to "excellent". Elmo Roper, You and Your Leaders: Their Actions and Your Reactions, 1936-1956 (N. Y.: William Morrow and Co., 1957), pp. 124-125.

⁶Ward, p. 129.

in actuality, because of the inception of the "cold war"⁷ and the resultant programs of massive foreign aid and rearmament. However, the public itself did not become seriously alarmed about the status of United States-Soviet relations for nearly two years after the end of World War II. Its immediate concern was with resuming the way of life which had been interrupted in 1941.⁸

Due perhaps to the unanticipated early ending of the Pacific war, adequate plans were lacking for an orderly transition from war to peace. President Truman found it necessary to call Congress back from a recess in September, 1945, in order to present a reconversion program. Mr. Truman called for demobilization of all armed forces no longer needed; settlement of war contracts; clearance of war plants so that peacetime production could be resumed; holding the line on prices, wages, and rents; removing all possible wartime controls, keeping only those necessary to aid reconversion and expansion; and

⁷The origin of the term "cold war" is attributed to Herbert Bayward Swope, a veteran newspaperman, in a speech he helped Bernard Baruch prepare for delivery at Columbia, South Carolina, on April 16, 1947. Columnist Walter Lippmann then popularized the term. Eric F. Goldman, The Crucial Decade--And After (N. Y.: Vintage Books, A Division of Random House, 1961), p. 60.

⁸Gallup polls taken in October, 1945, February, June, September, and December, 1946, indicated that less than 25 percent of the respondents in each poll considered foreign policy issues as the most important problems facing the American people. Gabriel A. Almond, The American People and Foreign Policy (N. Y.: Frederick A. Praeger, Inc., Publishers, 1960), p. 73. A Fortune poll, released in September, 1945, indicated that only 25 percent of the respondents considered Soviet Russia's moves in Eastern Europe as aggressive. By July, 1946, when the Council of Foreign Ministers was stalemated at Paris, 50 percent in a Fortune poll believed that Soviet Russia was intent on world domination. However, 34 percent thought Russian moves were dictated by security interests. By October, 1947, 66 percent in a Fortune poll thought Russia capable of starting a war to gain its ends. Ibid., pp. 94-95.

measures to prevent rapid decreases of wage incomes or purchasing power. He also called for expansion of the coverage and benefits of the unemployment compensation laws; increase of the minimum hourly wage and coverage of agricultural workers; extension of price stabilization authority; full employment legislation; and a permanent Fair Employment Practices Committee. The President further called for cooperation between labor and industry to keep strikes and lockouts at a minimum. He announced plans for strengthening the Department of Labor and asked that the United States Employment Service be continued temporarily under Federal control in order to assist returning veterans and displaced war-workers. He asked for machinery to safeguard farm prices. The President also requested a continuation of Selective Service; a broad Federal housing program; Federal aid for re-development of urban slum areas; establishment of a single Federal Research Agency; limited tax reductions in 1946; development of the Columbia, Missouri and other river basins; and Federal aid to small business. He asked for the creation of an agency to inventory the nation's natural resources and to undertake a program of "useful public works" which would provide employment in the event private industry could not do so.⁹

President Truman's message was not solely a reconversion program. It marked the beginning of the Fair Deal as well as the end of his "honeymoon" with Congress and the public. It isolated him from those who believed he would assume a more conservative position than the late President Roosevelt. It led to bitter struggles with Congress, both when that body was controlled by Democrats as well as when the

⁹Truman, I, 481-485; Koenig, pp. 148-176.

Republicans gained control after the 1946 elections.¹⁰ The Republican-dominated Eightieth Congress, elected in 1946, was later excoriated by Truman and the Democrats as the "do-nothing" Congress. Yet it is debatable whether the President's program achieved a much greater degree of success with the Democratic-controlled Seventy-ninth Congress than with the Republican Eightieth.

In addition to his comprehensive program of September 6, 1945, President Truman subsequently submitted to the Seventy-ninth Congress proposals relating to: reorganization of Executive branch agencies; Presidential succession; adoption of the United Nations Charter; control of atomic energy; additional funds for the United Nations Relief and Rehabilitation Administration (UNRRA); a National Health Program; further extension of price and rent controls; Universal Military Training (UMT); labor fact-finding boards and thirty-day cooling-off periods; drafting strikers into the armed forces and authorizing injunctive proceedings against labor leaders who called or encouraged strikes against the government; veterans' housing; and participation in the new International Court of Justice.

¹⁰Jonathan Daniels writes that President Truman told him ". . . that September the sixth speech was made to let the Hearsts and the McCormicks know that they were not going to take me into camp." Daniels concludes that the speech "cost" the Democrats the 1946 Congressional elections but that Truman ". . . became President, not on April 12, but on September 6 . . ." The Man of Independence (Philadelphia: Lippincott, 1950), pp. 297, 299. Other observers concluded, however, that President Truman did not gain full confidence in his role until after the Democratic Congressional defeat in 1946. By this time, most of the Roosevelt followers had left the Administration and Truman was following his own counsel and that of advisers whom he had personally selected. Goldman, pp. 62-64; Tris Coffin, Missouri Compromise (Boston: Little, Brown and Co., 1947), pp. 306-307; Roper, pp. 130-131; Columnist Gould Lincoln, Washington (D.C.) Evening Star, January 18, 1947, quoted in Congressional Record, XCIII, Part 10, A198.

Very little of Truman's program was enacted by the First Session of the Seventy-ninth Congress. However, Congress passed and the President signed a government reorganization bill, an appropriation of \$160 million for veterans' housing, a new UNRRA participation act, a bill implementing United States membership in the United Nations, a tax reduction measure, an extension of the Reciprocal Trade Agreement Acts, a salary adjustment for Federal employees, a surplus property bill, an extension of the Price Control act, and a measure providing more liberal credit and benefits to veterans. The United Nations Charter was adopted overwhelmingly by the Senate. During this session, opposition mounted against continuation of wartime emergency controls over prices and rents.¹¹ This was to become one of the primary obstacles to cooperation between President Truman and Congress.

Several important measures of the President's program were rejected or left pending for the Second Session. During the Second Session, the President signed into law: additional veterans' housing legislation; Federal aid for school lunches; the Employment Act of 1946 (full employment); a National Mental Health Act; extension of Selective Service; Federal Aid for airports; a pay increase for Federal employees; Federal aid for hospitals; increased Federal contributions to Social Security; the British loan; adherence to the United Nations Educational and Scientific Organization; the Atomic Energy Act; the Congressional Reorganization Act; another extension of price controls; and the Administrative Procedures Act. Most of the Truman recommendations which became

¹¹Floyd M. Riddick, "The First Session of the Seventy-ninth Congress (Jan. 3-Dec. 21, 1945)," American Political Science Review, XL (April, 1946), 256-271.

law were modified in varying degrees by Congress. Still pending at the end of the Seventy-ninth Congress were these major portions of Truman's program: self-government for the District of Columbia; Federal aid to education; labor fact-finding boards; permanent Fair Employment Practices Committee; health and medical care; increase in the minimum wage; national housing program; Presidential succession; extension of Social Security; aid to small business; St. Lawrence Seaway; expansion of unemployment compensation; single Federal Research Agency; armed forces' unification; expansion of crop insurance; creation of a Missouri Valley Authority; and UMT.¹²

Rather than criticizing Congress as a whole for the failure of much of his program to become law, the President placed the blame on its committees.¹³ However, Congress during this period appeared consciously to be striving to break the spell of Presidential domination which had become so customary during the earlier Roosevelt Administrations. Pleas that Congress recapture its status as a co-equal branch of the Federal government were voiced frequently during hearings on the Congressional Reorganization Act of 1946. The disappearance of Roosevelt, the inexperience of the new President, occasional displays of Executive ambiguity and vacillation, as well as occasional blurrings of responsibility within the Administration, probably contributed to the growing independence of Congress in relation to the Executive branch. In addition, Congress continued to be dominated

¹²Floyd M. Riddick, "The Second Session of the Seventy-ninth Congress (Jan. 14-Aug. 2, 1946)," Ibid., XLI (February, 1947), 12-28.

¹³Koenig, p. 252.

by a conservative coalition of Southern Democrats and Northern Republicans, to whom much of the New Deal and Fair Deal programs spelled anathema.¹⁴

The reconversion period bordered often on chaos. Consumer goods were in many cases in extremely short supply whereas a great backlog of consumer wants, demands, and purchasing power had accumulated during the war. With the great accumulation of wartime savings seeking out a limited quantity of consumer goods inflation posed a serious problem throughout the early postwar years. There were constant and simultaneous pressures on President and Congress both for the end of all wartime emergency controls over the economy and for the continuation of such controls until the supply-demand situation

¹⁴There was less party regularity among Senate and House Democrats in the Seventy-ninth Congress than among the minority Republicans, although considerable crossing of party lines occurred in both parties. This is shown in tables on distribution of party regularity in Congressional Quarterly, Vol. II, No. 4 (Oct.-Dec., 1946), 783. Only those votes on which a majority of both parties voted differently are included in the analysis. Evidence of the cross-purposes within the Truman Administration was demonstrated by the confusion surrounding the speech by Secretary of Commerce Henry A. Wallace in September, 1946, in which he argued for a "softer" American foreign policy relative to the Soviet Union, ostensibly with the approval of the President and contrary to the policy line being followed by Secretary of State Byrnes. The American public and friends abroad were at a loss as to the Administration's intent. Herbert Agar, The Price of Power: America since 1945, in The Chicago History of American Civilization, ed. Daniel J. Boorstin (Chicago: The University of Chicago Press, 1957), pp. 60-64. In the early days of his Administration, President Truman was criticized for delegating too much responsibility to his subordinates. According to one source, the President believed in selecting the "right" men to head the departments and then leaving departmental operations to such appointees. ". . . It took him some time to discover that while he could delegate every duty he could escape no responsibility . . ." Daniels, p. 302. Also see Coffin, p. 23. The Administration also was criticized on the grounds that while it urgently pressed for UMT it meekly capitulated to the "popular clamor for demobilization"; while supporting large loans to European and other countries it allowed desperately-needed food shipments to lag far behind

could become stabilized. Labor generally sought the elimination of controls on wage increases whereas business and industry sought the elimination of controls over prices. Farmers sought the continuation of high price support levels won during the war. As controls gradually were eliminated, the consuming public was subjected to severe inflation. President and Congress constantly were at loggerheads over the issue of controls. Although generally favoring only a gradual relaxation of controls, the President was not entirely unambiguous regarding his position on this subject. However, the dominant sentiment in Congress was for an accelerated end to controls and, despite the efforts of the President, this was reflected in legislation enacted on the subject. That this was a serious problem and one for which a solution was not readily attainable was evidenced by its injection as the major issue--the "high cost of living"--in the 1948 Presidential campaign.¹⁵

schedule; and that while assuming a "tough" posture toward the Soviet Union it permitted American armed forces to disintegrate and did nothing else concrete to convince the ambitious Russians of American determination. Goldman, pp. 36-37. Mr. Truman also was criticized at various times for alleged ineffectual leadership of Congress, for splitting organized labor and the nation's liberals. Max Lerner, Actions and Passions: Notes on the Multiple Revolution of Our Time (N. Y.: Simon and Schuster, 1949), pp. 205-207; Coffin, p. 29.

¹⁵ Before the war's end and generally throughout the early post-war period President Truman strongly urged the retention of those controls necessary to prevent runaway inflation and its consequences. Yet on the eve of the 1946 elections the Administration lifted controls on meat, which was in critically short supply. In October, 1946, living costs were 20 percent above those of 1944. After the elections nearly all price controls were removed and housing controls were reduced. Prices immediately moved upward. At the time the President viewed the major problem as one of goods being deliberately withheld from the market and placed the onus for the situation on the "unworkable price-control law which Congress had passed" in July. Truman, I, 223, 488-491, 512-515; Truman, II, 26; Congressional Record, XCIII, Part 10, A7-8; Louis H. Bean, How to Predict Elections (N. Y.: Alfred A. Knopf, 1948), p. 52.

Following the end of the war and throughout 1946 the country was swept by waves of paralyzing strikes as labor sought to consolidate its gains made during the war while working a reduced number of hours per week. Labor's demands were resisted bitterly by business which, simultaneously, was seeking an end of price controls. Strikes were of such intensity and frequency that demands soon were heard for severe limitations on the rights of organized labor.¹⁶ As relations between

However, Truman again warned Congress of the continuing dangers of ruinous inflation in his January 6, 1947 State of the Union message and called on labor and industry to hold the line on wages and prices. By this time, living costs were an estimated 33 percent above the level on December 7, 1941. Truman, II, 26-27; Goldman, p. 25. Actually, President Truman appeared to be in a hopeless predicament in regard to peacetime economic controls. He was criticized for his attempts to maintain effective controls and again when he removed most of the remaining, ineffectual, controls. One writer bitterly commented: ". . . Taft's present indictment against the President is that after the Republicans had killed the OPA ninety per cent, Truman proceeded to wipe out the remaining ten per cent." Lerner, p. 180. Another author implies that President Truman's real position on peacetime controls was that such controls were "Police state methods". Goldman, p. 21.

¹⁶Mr. Truman described the labor unrest as "one of the most difficult and persistent of all the domestic problems" he faced as President. In the fall of 1945 there were strikes in the coal mining, oil, lumber, automobile, and meat-packing industries. Strikes were threatening in the steel and railroad industries. By the first week in December, 265,000 workers were on strike. Truman, I, 495-500. On April 1, 1946, John L. Lewis ordered 400,000 coal miners to walk out of the bituminous coal fields. On May 23, 1946, twenty railroad unions called out on strike 300,000 members from most of the major lines across the nation. The railroad strike was settled only after the President had asked Congress for authority to draft the strikers into the armed forces. The coal strike resulted in the Federal government taking over operation of the coal mines. Lewis called another strike in November and he and the union were fined a total of \$3,510,000. The November strike is credited with assisting the Republicans in regaining control of Congress. Ibid., pp. 500-505. Also in 1946 there were strikes by the maritime and telephone workers' unions. It was estimated that the 1946 strikes resulted in a loss of 107,475,000 man-days of work. Goldman, p. 25. When the Eightieth Congress convened in January, 1947, another coal strike was pending and union contracts in steel and other key industries were due to expire in a few months. Congressional

the Soviet Union and the United States deteriorated, the demands of labor frequently came to be viewed as a part of the overall world Communist conspiracy. Friends of labor were painted with the same brush.¹⁷ The climate of opinion was ripe for the adoption in 1947 of the Taft-Hartley Act, which was described as a measure designed to readjust the balance between labor and management. To organized labor, however, it was a return to the "dark ages" of labor.¹⁸ President Truman's ringing denunciation of this legislation, which effectively eclipsed his earlier espousal of a measure under which striking workers could be drafted into the armed forces, contributed significantly to his victory in 1948.¹⁹

The Congressional elections of 1946 witnessed the return of the Republican Party to national power for the first time since the Hoover Administration.²⁰ The stage appeared to be set for certain

Quarterly, Vol. III, No. 2 (April-June, 1947), 282. A Roper poll in September, 1946 indicated that only 11 percent of the respondents thought unions were doing a "fine" job; 31 percent conceded that unions "make mistakes" but that they are more beneficial than harmful; 39 percent conceded the need for unions but considered them harmful as then operated; and 10 percent thought the country would be better off without unions. Roper, p. 195.

¹⁷Bean, pp. 29, 35; Lerner, p. 205.

¹⁸Congressional Quarterly, Vol. III, No. 2 (April-June, 1947), 284-296.

¹⁹Ibid., p. 295; Wilfred E. Binkley, The Man in the White House: His Powers and Duties (Rev. ed.; N. Y.: Harper Colophon Books, Harper and Row, Publishers, 1964), p. 144; Truman, II, 29.

²⁰The last time the Republicans had won control of both houses of Congress was in the 1928 Hoover landslide. They lost the House of Representatives by one vote in 1930. Edward M. Sait, American Parties and Elections (3d ed.; N. Y.: D. Appleton-Century Co., Inc., 1942), p. 272.

Republican victory in the 1948 contest for the Presidency. During 1946 the popularity of President Truman had continued to decline, culminating in the loss of control of both houses of Congress by the Democrats.²¹ Legitimate concern arose as to the possibility of utter stalemate in the Federal government, divided as it was between a Democratic Executive and a Republican Congress. The reasons underlying the resurgence of Republican power are varied.²² Of great importance was the mood of disquietude pervading the country during this period. There was dissatisfaction with the direction, or lack thereof, in which the country seemed to be moving.²³ Factors contributing to the Democratic loss of Congress certainly included anxiety about the threatening course along which the country appeared to be moving in international affairs; dissatisfaction with continued shortages of consumer items, increasingly high prices, strikes and other evidences of labor

²¹A November, 1945 Roper poll indicated that 62 percent of the respondents thought President Truman was doing a "good" job. However, 13 percent thought he was either incapable of handling the Presidency or that the country was in a dire predicament with him as President. Only 46 percent considered him to be doing a good job in April, 1946, whereas 34 percent thought him incapable of handling the Presidency, and 6 percent thought of him as bad for the country. A trial heat for the 1948 Presidential race pitting Truman against Stassen and Dewey showed Stassen edging Truman 37 percent to 35 percent while Truman and Dewey tied, each receiving 41 percent. Roper, p. 127. According to other Roper polls, neither the President nor Congress was rated in high esteem by the American public in 1946. Ibid., p. 192.

²²House Speaker Sam Rayburn is said to have remarked to a friend that "This is going to be a damn beefsteak election." William S. White, The Taft Story (N. Y.: Harper and Brothers, Publishers, 1954), p. 56. The Speaker appeared to have gauged the mood of the public fairly accurately.

²³The press referred to 1946 as the "Year of Frustration". Agar, The Unquiet Years, p. 65; Goldman, pp. 44-45.

unrest; apparent confusion in the highest levels of government, evidenced by incessant bickering between President and Congress, among officials within the Executive branch, and by the seeming inability of the government to solve the many perplexing issues of the day.²⁴ Communism was an issue in the election as attested by one Republican campaign slogan beseeching the electorate to "End Controls, Confusion, Corruption, Communism, Vote Republican".²⁵ Aware of the developing anti-Communist sentiment and a tendency to equate all things "bad" with Communism or sympathy therefor, some Democrats sought to dissociate themselves from their New Deal antecedents.²⁶ Despite the fact that the "tide" had been running against the Democrats for several years, in that margins of victory had continued to decline from the high point of 1934-1936, it is possible that victory still might have been salvaged had it not been for voter apathy. A surprisingly large number of normally Democratic voters stayed at home on election day. Democratic leaders could not be persuaded of the possibility of defeat and thus, because they did not conduct a vigorous campaign, contributed to the apathy and to the defeat.²⁷

²⁴Bean, pp. 7-8, 25, 29-30, 35, 52; White, pp. 55-56; Agar, The Unquiet Years, pp. 65-66; Coffin, pp. 299-300; Goldman, p. 296.

²⁵Another Republican slogan which seemed to capture the spirit of the electorate was "Had Enough? Vote Republican, November 5." Goldman, p. 295.

²⁶Bean, p. 35. Being a "radical", a term used to characterize Democrats, was dangerously near being a Communist. Democrats joined in the anti-Communist chorus, some apparently trying to out-do the Republicans. Coffin, pp. 297, 299.

²⁷Bean, pp. 23, 29-30, 34-35.

The jubilant Republicans interpreted the electoral victory as a repudiation of Franklin Roosevelt's New Deal and Harry Truman's Fair Deal.²⁸ It was a vindication of policies espoused during the long, dark years of Democratic unorthodoxy. The ultimate reprieve would come with the election of a Republican President in 1948. Much of the activity surrounding the Republican Eightieth Congress was focused upon insuring that outcome. That the Republicans misinterpreted the reasons underlying their return to majority status was evidenced by the resurgence of President Truman's popularity during 1947 as he frequently was vitriolic in his denunciations of Republican Congressional policies. Complete evidence that the nation was not ready for a return to pre-Rooseveltian domestic policies was seen in President Truman's spectacular victory in winning the Presidency in his own right in 1948 against ostensibly insurmountable odds.²⁹

²⁸ Senator J. William Fulbright (D., Ark.) reportedly called on President Truman to appoint a Republican as Secretary of State and then resign in his favor. President Truman's reaction to this suggestion was not reported. James M. Burns, Congress on Trial: The Legislative Process and the Administrative State (N. Y.: Harper and Brothers, Publishers, 1949), p. 150.

²⁹ William S. White, Senator Taft's biographer, writes that Taft returned to Washington after the 1946 elections convinced that the New Deal had been repudiated. White said it was "inconceivable" to Taft that the elections had been determined on the basis of highly emotional issues, such as the serious shortage of meat. White, p. 56. Another author describes the men who led the Eightieth Congress as "men with a mission" who ". . . had come roaring into the Capitol filled with spleen and plannings." Goldman, p. 52. In the 1946 Congressional elections the Republicans received 54.3 percent of the votes; the Democrats received 45.7 percent; and minor party candidates received 1.4 percent. In the House of Representatives, the Republicans made their largest gains in districts classified as "northern big city". American Institute of Public Opinion, The Gallup Political Almanac for 1948 (Princeton, N. J.: printed by The Clarke Press, Manchester, N. H., 1948), pp. 6, 53. Louis H. Bean interpreted this to mean that the

The Republican Eightieth Congress, which convened January 3, 1947, was from the outset characterized as "Taft's" Congress.³⁰ Although not the formal leader of the Senate majority, Taft, from his strategic position as Chairman of the Majority Policy Committee, undoubtedly reflected the views of a majority of his Republican colleagues in both the Senate and the House. Taft's outspoken conservatism in domestic policies and isolationism in foreign affairs raised the possibility of a return of the United States to policies of domestic conservatism, economic nationalism and isolationism. Superficially, this appeared to be the destined course, as Republican leaders voiced their intentions to concentrate upon reducing the role of the Federal govern-

high cost of living issue was most serious in big city districts. Voter resentment was directed against the Democrats because of this issue, not on the basis of a rejection of the New Deal or Fair Deal. Bean, p. 52. The results of a series of Roper polls in 1945 and 1946 seem to discount Republican claims that the New Deal and Fair Deal were repudiated in the 1946 elections. A 1945 poll showed 77 percent of the respondents favoring the extension of Social Security to all working persons. In February, 1946, a majority of respondents favored the idea of the Federal government building homes for sale or rent to the public. In June, 1946, 67 percent approved, and 24 percent disapproved government price controls. Seventy-two percent of respondents in a November, 1946 poll thought the government should provide for all persons unable to care for themselves. Roper, p. 193.

³⁰Agar, The Price of Power, p. 68. The Senate was composed of fifty-one Republicans and forty-five Democrats. The House included 246 Republicans, 188 Democrats, and one American Labor Party representative. Congressional Record, XCIII, Part 15, D6. Officials and party leaders of the Senate included the following: President pro tempore, Arthur H. Vandenberg (R., Mich.); Majority Leader, Wallace H. White, Jr. (R., Me.); Majority Whip, Kenneth S. Wherry (R., Neb.); Chairman, Majority Policy Committee, Robert A. Taft (R., Ohio); Chairman, Republican Conference, Eugene D. Millikin (R., Colo.); Minority Leader, Alben W. Barkley (D., Ken.); Minority Whip, Scott W. Lucas (D., Ill.) House officials and party leaders included: Speaker, Joseph W. Martin, Jr. (R., Mass.); Majority Leader, Charles A. Halleck (R., Ind.); Majority Whip, Leslie C. Arends (R., Ill.); Chairman, Republican Conference, Roy O. Woodruff (R., Mich.); Minority Leader, Sam Rayburn (D., Tex.); Minority Whip, John W.

ment in the lives of the American people.³¹ Most of the Republican leaders were the possessors of isolationist voting records of long standing, with an important exception in Senator Arthur H. Vandenberg, the President pro tempore and Chairman of the Foreign Relations Committee, who was a recent convert to an internationalist philosophy.³² It was the hope of the Republican leaders, however, that foreign problems would not dominate the attention of this Congress.³³

Such hopes were in vain, as the Eightieth Congress hardly had completed its organization under the new Congressional Reorganization Act of 1946³⁴ when it was confronted with the Greek-Turkish crisis. Scarcely had the momentous decision been made to support President

McCormack (D., Mass.); and Chairman, Democratic Conference, Aime J. Forand (D., R. I.) Congressional Quarterly, Vol. III, No. 1 (Jan.-Mar. 1947), iii.

³¹Radio address of Senator Robert A. Taft on NBC January 3, 1947, printed in Congressional Record, XCIII, Part 10, A7-8, and address of House Speaker Joseph W. Martin, Jr., February 25, 1947, before Pennsylvania Manufacturers' Association convention at Philadelphia, printed in Ibid., pp. A783-784.

³²The occupants of the top seventy-six Republican positions in the Eightieth Congress had an average previous tenure in Congress of 14.5 years. They represented primarily agrarian constituencies. Thus, the "control of legislation was . . . transferred to those who generally represented the ideology of the 1920's and were in a sense the incarnation of a cultural lag" Binkley, p. 120.

³³Statement of Taft, quoted in Agar, The Price of Power, p. 68.

³⁴Public Law 601, Seventy-ninth Congress. Under the act, the number of committees was reduced in the Senate from thirty-three to fifteen, and in the House from forty-eight to nineteen. In addition, committee jurisdictions were re-defined. The problem of making committee assignments at the beginning of the Eightieth Congress was unusual, with most of the entire membership of each house receiving new assignments. Congressional Record, XCIII, Part 15, D8.

Truman's recommendation of assistance to prevent further Communist inroads in Southeastern Europe when the Administration announced its revolutionary offer of assistance in the reconstruction of Europe. From that time onward, even though matters of serious domestic import required resolution, the Republican Eightieth Congress ironically was confronted with the issue of committing the United States to a long-range, intimate, and massive involvement in foreign affairs.

Throughout the stormy life of the Eightieth Congress, domestic problems divided that body from the President. The nation continued to be plagued with strife between labor and management. The cost of living incessantly moved upward.³⁵ On November 17, 1947, the Eightieth Congress was called into special session by the President to meet two crises, one domestic and the other international, each of which was considered of equal gravity. Chaos impended in Austria, France, and Italy, unless effective economic assistance should be immediately forthcoming.

³⁵In his January 6, 1947 State of the Union Message, President Truman warned of the dangers of inflation and asked labor and industry to exercise restraint on wages and prices. A few controls continued in existence in 1947, mainly on certain foods in critically short supply and on certain materials. Rent controls continued and although the President signed a bill extending such controls to February 29, 1948, he denounced the measure vigorously and castigated real estate lobbyists. Truman, II, 24-28; Congressional Quarterly, Vol. III, No. 2 (April-June, 1947), xvii. At hearings conducted throughout the country during September, October, and November, 1947, three subcommittees of the Joint Committee on the Economic Report heard testimony on the effects of continuing inflation. They were told that demand was far outdistancing supply; that speculators were getting too much of the food dollar; that there were too many middlemen; that excessive exports were raising prices; that food took more than one-third of a worker's take-home pay; and that many families were enduring substandard diets and as many as three or four meatless days per week. Labor and housewife groups urged a return to rationing and controls, while representatives of business and industry urged greater production and lower taxes. Congressional Quarterly, Vol. III, No. 4 (Oct.-Dec., 1947), 711.

Unless the domestic inflation problems were resolved, any plan devised by the United States for assisting Europe in meeting its economic crisis would be foredoomed to failure.³⁶

President Truman continued to press Congress for adoption of his Fair Deal legislative program. It was ironic that the Eightieth Congress, bitterly derided during the 1948 Presidential campaign as the "do-nothing" Congress, agreed to Greek-Turkish aid and the Marshall Plan, which were revolutionary departures from the traditional American approach to foreign affairs. Paradoxically, while Senator Vandenberg effectively persuaded his Republican colleagues to concur with the President in his foreign policy proposals, this Republican Congress, under the leadership of Senator Taft in domestic matters,³⁷ rejected the Administration's proposals for a new Department of Welfare, comprehensive civil rights legislation, long-range housing, the Brannan Plan for the nation's agriculture, UMT, a Tennessee Valley Authority steam plant, a national health program, Federal aid to

³⁶Ibid., p. 746; Truman, II, 28.

³⁷Taft displayed little interest in matters of foreign policy. He considered domestic questions much more significant. He and Senator Vandenberg had reached an agreement according to which bipartisan foreign policy would be Vandenberg's domain. Congressional Record, XCIII, Part 10, A7-8. Taft's record in foreign affairs, writes White, ". . . was inconsistent almost to the point of inconceivability." White, p. 142. In view of past Republican voting records on foreign policy issues, Senator Vandenberg's task of promoting bipartisan foreign policy in the Senate promised to require a considerable degree of skill in the art of persuasion. On a series of foreign policy proposals from 1933-1948, only a slight majority of Republicans in House and Senate favored such proposals while more than 80 percent of their Democratic colleagues supported them. See data in Robert A. Dahl, Congress and Foreign Policy (N. Y.: Harcourt, Brace and Co., 1950), p. 189.

education, an extension of Social Security, and an increase in Old Age and Survivor's Insurance. At the same time, Republicans and rebellious Democrats in both houses combined to pass, over the opposition of the President, the Taft-Hartley Act, the Portal-to-Portal Pay Act, and a tax reduction benefitting upper-level taxpayers more than the far greater number paying lesser but not insignificant amounts. The "Taft" Congress modified, but did not kill, other Administration proposals. Rather than Universal Military Training the President received an extension of Selective Service. Congress gave him a modified extension of the Reciprocal Trade Agreement acts, modified inflation control, modified rent control, and a modified secondary market for "G. I." housing loans. Democrats charged the Republicans with going only so far in inflation and rent controls as to protect themselves while attempting to put the President in an unfavorable political position.³⁸

At no time during the two sessions of the Eightieth Congress was the Presidential campaign of 1948 far beneath the surface of events.³⁹

³⁸Congressional Quarterly, Vol. III, No. 1 (Jan.-March, 1947), xv-xvii; Ibid., Vol. III, No. 2 (April-June, 1947), xviii-xix; Koenig, p. 253; Goldman, p. 56.

³⁹The Eightieth Congress commenced its deliberations on rather dreary notes. Long and acrimonious debates erupted over the seating of Senator Theodore G. Bilbo (D., Miss.) and the confirmation of the President's appointment of David E. Lilienthal as Chairman of the Atomic Energy Commission. With regard to the Lilienthal controversy, the New York Times, on February 12, 1947, warned Senate Republicans against attempting to capitalize upon the issue "at the expense of the Administration." The Washington Post considered the Republican part in the attempt to prevent Lilienthal's confirmation a bad omen in view of the need for cooperation between President and Congress in "this critical year." Editorials printed in Congressional Record, XCIII, Part 10, A543-544. On February 8, 1947, Senator Arthur H.

Early during the First Session, the leadership of the Democratic Party selected Senator Taft as its most formidable prospective opponent in the campaign and proceeded to attack him on all positions in which there conceivably might be some vulnerability.⁴⁰ The atmosphere was filled with Democratic and Republican charges and counter-charges regarding the responsibility for the high cost of living-- and for all the other obvious faults in the American social fabric. During 1947 the stock of the Democratic Party and President Truman tended to appreciate vis-a-vis the Republican opposition led by such stalwarts as Taft, Vandenberg, Stassen, Dewey, and Bricker.⁴¹ As though it found prosperity distasteful the Democratic Party began to disintegrate into warring factions as 1948 arrived and election-time neared. President Truman's strong and uncompromising stand for

Vandenberg was imploring his fellow Michigan Republicans to "forget 1948 for the time being" in view of the "critical tasks at hand." Ibid., A452.

⁴⁰Jack Redding, Inside The Democratic Party (Indianapolis: The Bobbs-Merrill Co., Inc. Publishers, 1958), pp. 57, 62. Redding was Director of Public Relations for the Democratic National Committee during this period.

⁴¹The low-point in President Truman's popularity was reached in January, 1947. A Roper poll indicated that, at the time, Republicans Dewey, Vandenberg, Stassen, Bricker, and Taft were preferred over Truman for the Presidency in 1948. However, in another 1948 Presidential trial heat conducted in August, 1947, the President out-paced Taft, Vandenberg, and Stassen, and trailed Dewey only by two points. Roper, p. 130. High prices remained a great problem and, according to the polls, the Republicans were receiving most of the censure for high prices and high living costs. Production, employment, and profits were high in 1947, yet the voters complained of difficulty in making ends meet. Labor was bitter over the Taft-Hartley Act and planned an intensive campaign against Congressmen who supported the measure. Special Congressional elections, as well as state and local elections in 1947, indicated a return of the Democrats to popular favor. Bean, pp. 162-163.

effective civil rights legislation cost him dearly in his own party, producing a rebellion in the Southern ranks of the Democrats.⁴²

Throughout 1947, unrest had been stirring in the liberal ranks of the Democratic Party around the figure of Henry A. Wallace, former Vice President and Secretary of Commerce and titular successor to the leadership of the Roosevelt New Dealers.⁴³ Wallace, unceremoniously deposed from the Cabinet by Truman in September, 1946, for openly and outspokenly opposing the Administration's Soviet policy, continued throughout 1947 his attacks against the Administration's programs of assistance to Greece and Turkey and to European reconstruction. Early in 1948 Wallace announced his candidacy for the Presidency as the standard-bearer of the newly-created Progressive

⁴²The Southern rebellion cost the Democratic Party a large source of its financial contributions as well as its place on the ballot in some Southern states. Republican members of the Republican-Southern Democrat conservative coalition in Congress were accused of offering to help kill the civil rights legislation if the Southerners would agree to bolt the Democratic ticket in November, 1948. Redding, pp. 132-140. Truman proceeded with his fight for a permanent F. E. P. C. and civil rights legislation despite the advice of Cabinet members and others. Truman, II, 182.

⁴³Liberals were unhappy for a variety of reasons. Some, perhaps, disapproved of Truman simply because he lacked the glamor and sophistication of Roosevelt. Mr. Truman had alienated labor with his request for strikebreaking legislation, although this grievance was at least partially redressed by his veto and denunciation of Taft-Hartley. Gradually, Mr. Truman had eliminated most of the Roosevelt coterie from the inner councils of the Administration and this alienated some liberals. Liberals of the Wallace school largely were fearful that the Administration was courting war through its "hard" Soviet foreign policy line and that the Administration was dooming the United Nations to a premature and unwarranted demise. Other liberals thought President Truman succumbed too readily to the "anti-Communist hysteria", in view of the stringent loyalty program developed pursuant to a Presidential Executive Order. Lerner, pp. 105-106, 107-109, 110-111, 223-224; Redding, pp. 40-41; Goldman, pp. 5-9, 14.

Party.⁴⁴ At the same time, many influential figures within the Democratic Party had become convinced that the Party could not conceivably win the Presidency that year with President Truman as its candidate. Plans thus were laid to secure an alternate candidate. These plans centered largely upon efforts to persuade General Dwight D. Eisenhower, probably the least controversial figure in America, to enter the political wars as a Democrat.⁴⁵

As has been mentioned previously, the charge of "soft on Communism" was used liberally in the 1946 Congressional elections. As relations between the United States and Soviet Russia grew progressively worse during the ensuing months, a development reminiscent of the "Red Scare" of the post-World War I era began to arise in America. This anti-Communist attitude was not unimportant in the enactment of both the Greek-Turkish Aid Bill and the Marshall Plan. The latter, of course, was predicated upon its positive offer of economic assistance to all European nations, regardless of their political and ideological orientations, whereas the decision to intervene in Greece and Turkey with economic and military assistance was openly anti-Communist in its orientation. The "anti-Communist hysteria", as it was called by some, also had its serious implications for American society, giving rise to an era in which one's Americanism had almost

⁴⁴Agar, The Price of Power, pp. 60-64; Redding, p. 54.

⁴⁵Jack Arvey, Chairman of the Cook County (Chicago) Democratic Committee, Mayor William O'Dwyer of New York City, Leon Henderson, former O. P. A. Administrator, and James Roosevelt, son of the late President, attempted to persuade General Eisenhower to reconsider his decision to forego politics. Redding, pp. 147-149.

to be proved by the fervor of his anti-Communism and his willingness to sign loyalty oaths. Throughout the period under study, Communism on the domestic scene occupied a significantly increasing amount of the time of Congress and the Administration. It was an important factor in the eventual enactment of the Marshall Plan.⁴⁶

The purpose in this chapter has been to present the domestic political background for the decision in 1947 by the Truman Administration to embark upon a revolutionary role in foreign affairs. That background becomes important in view of the necessity of the Administration to have the firm support of Congress and the public in the undertaking.

The period surrounding the promulgation of the Truman Doctrine for Greece and Turkey and the offer of massive economic assistance to Europe through the Marshall Plan was one of instability on the domestic scene and searching in the area of international affairs. Relations between President and Congress, apparently at an all-time low and fraught with the possibility of stalemate, were paralleled on the

⁴⁶One author attributes the post-World War II "Red scare" in America to the feelings of frustration which arose after "winning" the war and then being unable to live in peace. Agar, The Price of Power, p. 5. An atmosphere of "conspiracy" arose after our efforts to reach agreement with the Soviet Union over control of atomic energy had failed. America then proceeded to draw the ring of secrecy even tighter about the atom and to develop even further its frightful destructiveness. The resulting competition with the Russians only accentuated the necessity for preserving inviolate the secrets of the atom. In such an environment, deviations from the ordinary become the subject of much searching, investigating, and suspicion. Ibid., p. 57. Senator Capehart (R., Ind.) announced that he would vote for the Greek-Turkish Aid Bill (S. 938) ". . . because of my abhorrence of communism . . ." He was grateful that the Administration finally had recognized what the Republican Party had known for a long time: ". . . that the threat of communism within and without this Nation is our greatest danger." Congressional Record, XCIII, Part 3, 3787.

domestic front by continuing strife between labor and management, shortages of products to satisfy the increasing wants of a relatively prosperous public, continuing inflation which seriously curtailed the real incomes of the relatively less well-to-do, and heightening public controversy about the direction in which the nation should move. In addition, there were the attitudes of doubt, distrust, and suspicion, engendered by such haunting questions as the atomic bomb and how to prevent it ultimately from returning to destroy the nation responsible for its development. It was difficult for the average citizen to comprehend how the Grand Alliance of the recent war could have deteriorated so rapidly and ominously to a point of constant American-Soviet rivalry on a score of complex and seemingly unrelated issues world-wide in scope. It was a period of frustration, in short, both for the people and the policy-makers.

The Truman Administration, in the spring of 1947, faced a decision which would shape the course of American and world affairs for years to come. An obvious power vacuum existed in world leadership. World War II had decimated the ranks of the former world powers, leaving only two nations capable of assuming world power status. Unfortunately for the world, those two states represented totally antithetic guiding philosophies: democracy and totalitarian Communism. Agreement between America and the Soviet Union appeared increasingly to be a receding hope as events throughout the world came more and more to be viewed in terms of an "East-West" struggle for power. The United States had a history of reluctant participation in affairs outside its own hemisphere, preferring to leave to others

the rôle of maintaining the equilibrium of the world power balance. With the British announcement that it could no longer carry the burden of assistance to tiny Greece, stark reality confronted the decision-makers in Washington. If it were a valid premise that further advances of international Communism constituted a threat to the security of nations professing to be and actually democratic in character, then immediate action was required to stem the apparent tide in Europe and elsewhere. Southeastern and Western Europe appeared to be approaching chaos--fertile ground for extremist solutions to unwieldy problems. Only one nation possessed the resources adequate to prevent European economic disintegration and the ultimate political consequences, none of which bode well for democracy and for world peace. That nation was the United States.

The task before the Truman Administration, beset with the necessity to provide solutions for persistent and serious domestic problems and confronted with a Congress dominated by an opposition party straining for the opportunity to re-establish its contrary philosophies of economics and government, was formidable indeed. The possibilities for uniting Congress and the nation behind a revolutionary departure in international relations, entailing the wholehearted acceptance of internationalism and its attendant burdens, were the subject of a continuing and great debate throughout the remainder of 1947 and well into the spring of 1948.

CHAPTER III

THE GREEK-TURKISH CRISIS: THE U. S. RESPONSE¹

Recognition and Delineation of the Problem

On February 3, 1947, United States Ambassador Lincoln MacVeagh reported from Athens rumors that Great Britain was going to withdraw its troops from Greece. On February 12, he urged that the United States supplant Britain in furnishing assistance to Greece. The American Embassy in London, on February 20, reported that the British Treasury was opposed to providing any further assistance to Greece. On February 21, the British Ambassador in Washington informed American officials that Britain would have to withdraw from Greece by April 1. Over the weekend of February 22-23, Acting Secretary of State Dean Acheson and the State-War-Navy Coordinating Committee (SWNCC)² prepared a memorandum regarding United States policy in the situation. The recommendations formulated by this group were supported by General Eisenhower and the Joint Chiefs of Staff. SWNCC submitted that both Greece and Turkey were in danger of being lost

¹For background on the political and economic situations in Greece and Turkey at the time, see supra, Chapter I, pp. 58-69.

²Created during the war when the Secretaries of State, War, and Navy agreed to meet informally once each week to discuss mutual problems. Joseph M. Jones, The Fifteen Weeks: February 21-June 5, 1947 (New York: The Viking Press, 1955), p. 62.

to Communism. If either was so lost, the position of the other would be untenable. If the United States failed to provide assistance to Greece and Turkey, other free countries in Europe, especially Italy and France, and the Middle Eastern countries would be convinced that no reliance could be placed upon the United States in defense of their freedom. It was mandatory, therefore, that American aid be furnished Greece and Turkey without delay. On February 27, President Truman consulted in his office with Senators Bridges, Vandenberg, Barkley, and Connally, Speaker Martin, and Representatives Eaton, Bloom, and Rayburn, to explain the Greek-Turkish situation and its implications for the United States. The British decision to withdraw had not yet been made public and even none of this select group³ knew the seriousness of the situation. During the following days State Department experts, under the direction of Acting Secretary Acheson,⁴ drafted proposed legislation and occupied themselves with other aspects of the matter. The President placed the situation before the Cabinet on March 7, where the proposed United States policy received general agreement. A Cabinet committee, headed by Treasury Secretary John Snyder, was

³By inadvertence, or otherwise, Senator Robert A. Taft was not invited to this meeting with the President. Senator Vandenberg called this to the President's attention and asked, in view of Taft's position as Chairman of the Senate Republican Policy Committee, that he be invited to future bipartisan consultations of this nature. Jones, p. 138.

⁴Secretary of State George C. Marshall was briefed on the Greek-Turkish crisis in late February, as he prepared to depart for the Moscow meeting of the Council of Foreign Ministers, at which the problems of Germany and Austria were to be considered. He participated in the decision to aid Greece and Turkey and, before leaving, instructed the staff through Acheson that they were to draft the Greek-Turkish aid program and the President's message to Congress without any thought as to the effect this might have on his position at Moscow. Ibid., pp. 109-110.

appointed to advise the President on how best to apprise the public of the crisis. The committee recommended that the President appear before a joint session of Congress.⁵ On March 10, a group of Congressional leaders, including Senators Barkley, Connally, Taft, Vandenberg, and White, Speaker Martin, and Representatives Bloom, Cannon, Eaton, Halleck, McCormack, Rayburn, Short, and Taber, met with the President. There was no opposition to the course of action decided upon, according to President Truman. On March 12, the President appeared before Congress in joint session to present his historic proposal.⁶

President Truman, in his address to the joint session of Congress, did not include any reference to the Soviet Union. Only a single reference was made to Communism and that was to point out that the "militant minority", which was defying the authority of the Greek Government and making economic recovery impossible through its terror-

⁵Senator Vandenberg advised President Truman to "scare hell out of the country." Goldman, p. 59. According to Joseph M. Jones, who was in the State Department's Office of Public Affairs and who helped draft the President's message to Congress, it was his [Jones'] suggestion that Truman appear in person before Congress as the best way to dramatize the situation. Jones, p. 167.

⁶This account of the activities of American leaders during the days preceding the enunciation of the Truman Doctrine was taken largely from Truman, II, 99-105. Former Senator Tom Connally, then ranking Democrat on the Foreign Relations Committee, wrote that there were objections to the Administration's proposed course from Speaker Martin and that Senator Vandenberg ". . . refused to commit himself" Tom Connally (as told to Alfred Steinberg), My Name is Tom Connally (New York: Thomas Y. Crowell Co., 1954), p. 318. Jack Redding, then Director of Public Relations for the Democratic National Committee, wrote that as Truman pondered the decision to aid Greece and Turkey he wondered whether it would divide his personal support in the country, i.e., between those who feared this step would precipitate war and ". . . those who saw more clearly . . ." Also,

istic activities and the resultant "political chaos", was "led by Communists." There was little question, however, about whom the President spoke in his references to ". . . totalitarian regimes imposed on free peoples, by direct or indirect aggression," As justification for the proposed United States action to extend economic, technical, and military assistance to Greece and Turkey in the amount of \$400,000,000, the President pointed to the "gravity of the situation" confronting the world in Greece and Turkey:

The very existence of the Greek state is today threatened by the terrorist activities of several thousand armed men, led by Communists, who defy the Government's authority at a number of points, particularly along the northern boundaries

If Greece was to become a "self-supporting and self-respecting democracy", it must have assistance immediately. That assistance could come only from the United States, since the United Nations and its related organizations were not equipped to meet the urgency of the situation or to provide the kind of help needed. The President made no excuses for the known excesses of the Greek Government, condemning equally ". . . extremist measures of the right or the left" He advised the Greek Government to practice tolerance. With regard to Turkey, the President declared that its future ". . . as an independent and economically sound state is clearly no less important to the freedom-loving peoples of the world than the future of Greece" President Truman pointed out the "leading part" of the United

wrote Redding, aid to Greece and Turkey was opposed by some within the Administration who feared what it might do to their own positions within the government. According to Redding, National Chairman (and Postmaster General) Robert E. Hannegan criticized certain Cabinet members who did not seem to recognize that "they held their offices at the pleasure of the President," Redding, pp. 35-36,47.

States in establishing the United Nations, but added

. . . 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 upon them totalitarian regimes. This is no more than a frank recognition that totalitarian regimes imposed on free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States.

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

United States aid, declared the President, should be "primarily" economic and financial, ". . . which is essential to economic stability and orderly political processes." The United States was not embarking on a policy of indiscriminate defense of the status quo, but

we cannot allow changes in the status quo in violation of the Charter of the United Nations by such methods as coercion, or by such subterfuges as political infiltration

The consequences of failure by the United States to come to the assistance of Greece and Turkey would be "far reaching to the West as well as to the East." In closing the President reminded his listeners of the "serious course upon which we embark", stating "I would not recommend it except that the alternative is much more serious."⁷

Thus, the United States had reached a turning point in the conduct of its postwar foreign policy. It could overlook the crises

⁷U. S., Congress, House, Committee on Foreign Affairs, Assistance to Greece and Turkey, 80th Cong., 1st Sess., 1947, H. Rept. No. 314 to accompany H. R. 2616, pp. 5-7, in House Miscellaneous Reports, II (Washington: U. S. Government Printing Office, 1947). Cited hereafter as House Committee on Foreign Affairs, Rept. No. 314, Assistance to Greece and Turkey.

in Greece and Turkey and retreat into its pre-war isolationist shell. On the other hand, it could shelve, temporarily at least, its idealistic postwar reliance on the fledgling United Nations as the panacea for the world's ills and resolutely come to grips with its responsibilities as the world's foremost democratic power. A vacuum was about to be created in Greece, into which would step those with the strongest, most cohesive and dedicated forces at their command. Given the chaotic circumstances in Greece, there was little question as to whom this would be ultimately. Turkey, without external assistance, could not resist for long either the power or the threats of the Soviet Union. Its strategic location astride the Dardanelles made it invaluable to the forces of democracy.

To return to a policy of isolationism could lead ultimately only to war, reasoned some. To others, the providing of economic and military assistance to Greece and Turkey could be interpreted only as a direct provocation of the Soviet Union and similarly fraught with the possibility of war. To many, it meant the premature demise of the United Nations and a return to sordid "power politics", in view of the questionable democratic credentials of the two governments for which assistance was proposed. A majority concluded, however, that the decision made by the Truman Administration, based frankly on the necessity of acting to prevent further Communist aggression, was the only alternative after the failure of all efforts toward cooperation. In the final analysis, if Greece should be permitted to go by default to Communism and if Turkey should be forced to capitulate to the demands of the Soviet Union, the national security of the United States would be

seriously imperiled. Before this conclusion was reached, however, the new foreign policy proclaimed by the President had to move through the tortuous process of policy formulation in a democracy. It was not enough that the President and his foreign policy advisers recognized the need for a great shift in American policy. They could formulate and enunciate, yet its effectuation depended ultimately upon the American public and Congress.

Dominant Personalities in the Executive Branch

Engaged in Formulation of the Truman Doctrine

The policy which quickly became identified as the "Truman Doctrine" was not developed overnight nor was it developed by one person. The Greek-Turkish crisis provided the context for the implementation of a less conciliatory American policy in relation to the Soviet Union. This policy had been developing since the end of the war. Neither President Truman nor former Secretary of State James F. Byrnes had the patience of the late President Roosevelt in dealing with the Soviets.⁸ Yet the pronouncement of the Truman Doctrine did not mean the United States had abandoned all hopes of effecting a reasonable settlement of its differences with the Soviet

⁸Byrnes is credited with the development of the policy of "patience but firmness" toward the Soviet Union. John C. Campbell, et al., The United States in World Affairs, 1947-1948 (New York: Published for the Council on Foreign Relations by Harper and Brothers, 1948), p. 7. However, Mr. Truman, only shortly after assuming office and before he had appointed Byrnes, delivered a very blunt lecture to Soviet Foreign Minister Molotov regarding Soviet violations of the Yalta Agreements. Also, Mr. Truman became piqued at Secretary Byrnes early in the latter's tenure for being overly conciliatory toward the Soviet Union in an effort to conclude the peace treaty negotiations. Truman, I, 79-82, 546-553.

Union. President Truman hoped that if Congress enacted the Greek-Turkish aid program by March 31, it would strengthen the negotiating position of Secretary of State Marshall at the Moscow Conference of the Council of Foreign Ministers for some kind of understanding between the United States and the Soviet Union. Truman hoped that Marshal Stalin would be convinced by quick enactment of Greek-Turkish aid that more was to be gained through cooperation with the United States and the United Nations than by defiance of them.⁹ Prolonged Congressional consideration of the program, however, probably nullified any psychological advantages the Administration may have gained from its dramatic shift of policy. The lengthy debates also served to emphasize the negative aspect of the Truman Doctrine, which was the containing of Soviet power.

The figure in the Executive branch popularly associated with the Truman Doctrine was, of course, President Truman himself, since the burden for determining the future course of United States foreign policy was on his shoulders, and since he had publicly enunciated the new policy. One of Mr. Truman's outstanding characteristics was his courage to act decisively, once all the evidence was before him. Although during the early part of his Administration Mr. Truman deferred to the aura of infallibility grown up around his predecessor, contributing to the image fostered by his detractors that he was unfit for the Presidency,¹⁰ Mr. Truman was not completely unprepared for the

⁹James Reston, in New York Times, April 10, 1947, p. 10.

¹⁰Truman, I, 13.

awesome responsibilities of the Presidential office. His ten years as United States Senator from Missouri (1934-1944) had been preceded by several years as a county "judge"¹¹ in Jackson County (Kansas City), Missouri, where he gained valuable administrative experience--not comparable, of course, to the administrative and executive responsibilities he assumed on April 12, 1945. Although not an influential member of the Senate's "inner circle" during his years in that body, Mr. Truman's productive activities during the war years as chairman of a Senate committee conducting a judicious and low-key investigation of the home-front war effort gained for him the respect and rise in stature which led to the 1944 Democratic Vice Presidential nomination and, ultimately, to the Presidency. Mr. Truman's formal education had been limited to high school, yet his intelligence and common sense were never questioned seriously. Moreover, a life-long love of history had led him to extensive reading on the subject, providing him with a solid foundation for understanding and coping with the world problems confronting him daily.¹² Although considered by some as totally lacking in sophistication and a "man of the people", in a deprecatory sense, Mr. Truman was not invariably led by the public opinion polls. When convinced of the correctness of his own position, Mr. Truman was not averse to leading public opinion.¹³ His stubbornness, on

¹¹In Missouri, an administrative rather than a judicial position, similar to the office of "county commissioner" in other states.

¹²Jones, p. 113.

¹³In the area of domestic affairs, Mr. Truman quite frequently during the early postwar years became incensed at various interest groups because he was convinced they were attempting to gain special privileges which would be detrimental to the welfare of the general public. Whether it was labor, agriculture, or business which drew his ire, however, Mr. Truman had no hesitancy in expressing his interpretations of the public interest. Koenig, p. 4.

occasion, was not dissimilar to that of the fabled mule of his native state.

From the first days of his Administration there was a great deal of controversy surrounding some of Mr. Truman's appointments to high governmental positions, as well as the circle of close personal friends who undoubtedly offered advice and suggestions pertaining to important public matters.¹⁴ There was no controversy, however, regarding his selection of General George C. Marshall to succeed James F. Byrnes as Secretary of State.¹⁵ Likewise, Under Secretary of State

¹⁴Despite warnings that the appointment would be rejected, Truman nominated Edwin W. Pauley, a Democratic Party fund-raiser, as Under Secretary of the Navy. Eventually, because of the extreme opposition to the appointment, Truman withdrew the nomination from the Senate. Congressional Quarterly, Vol. II, No. 1 (Jan.- March, 1946), 106-107. Truman's nomination of David Lilienthal as first chairman of the Atomic Energy Commission threw the Senate into serious controversy for weeks during the first session of the Eightieth Congress, disrupting its work schedule and threatening stalemate.

¹⁵Byrnes resigned ostensibly for reasons of health. He had threatened to resign in the fall of 1946, however, as a result of then Secretary of Commerce Henry A. Wallace's incursion into foreign policy matters. Even earlier, Truman, according to his own account, had had to "put Byrnes in his place" because Byrnes seemed to forget that Truman was President. Truman, in appointing Byrnes apparently was motivated in part by a desire to placate Byrnes' obvious hurt at being passed over for the Vice Presidential nomination in 1944. Their relations were never uneventful afterward. Truman, I, 190-193, 546-553. General Marshall's appointment as Secretary of State was endorsed by newspapers throughout the country. See Congressional Record, XCIII, Part 10, A174-175, for comments of the Baltimore Evening Sun, Jan. 8, 1947; Philadelphia Record, Jan. 9, 1947; Philadelphia Bulletin, Jan. 8, 1947; Los Angeles Times, Jan. 8, 1947; Detroit News, Jan. 9, 1947; and the Chicago Daily News, Jan. 8, 1947. In Congress, Republicans as well as Democrats joined in applauding the appointment. For remarks of Senator Henry Cabot Lodge, Jr. (R., Mass.) and Senator Arthur H. Vandenberg (R., Mich.), see Ibid., Part 1, 158-159. After the announcement of General Marshall's appointment on January 7, Senator Vandenberg asked on January 8 that the nomination be referred to the Foreign Relations Committee and that the committee be permitted to meet that day, during the Senate session, to consent to the nomination. This was done and, the same day, General Marshall's nomination confirmed unanimously by the Senate. Ibid., p. 170.

Dean G. Acheson commanded wide support among influential Congressmen, as did Under Secretary for Economic Affairs William L. Clayton.¹⁶ Controversy was not to envelop Mr. Acheson until later in the Truman Administration.

Secretary Marshall played a relatively minor role in the initial development of the Truman Doctrine, except to lend to it his great prestige. He was engaged in preparations for the forthcoming Moscow meeting of the Council of Foreign Ministers when the Greek-Turkish crisis arose. Most of the initiative was taken by Under Secretary Acheson. Secretary Marshall did participate in the initial briefing of leading Congressional figures on February 27 but, according to one source, failed to convey to those persons the urgency of the situation as it related to United States security. Under Secretary Acheson saved the Administration's presentation by pointing out in starkly realistic terms what the United States stood to lose and, conversely, what the Soviet Union stood to gain, should the United States fail to render

¹⁶Senate confirmation of Acheson's appointment as Under Secretary of State, on September 24, 1945, was opposed only by Senator Kenneth S. Wherry (R., Neb.), who objected because Acheson had disagreed with General MacArthur as to the number of troops needed to occupy Japan. Congressional Quarterly, Vol. I, No. 2 (Apr.-June, 1945), 476. Acheson and Senator Vandenberg developed particularly close relations. Jones, p. 100. The post of Under Secretary of State for Economic Affairs had been created specifically for Mr. Clayton, who had been serving as Assistant Secretary for Economic Affairs, to give him more prestige in international negotiations. Congressional Quarterly, Vol. II, No. 3 (July-Sept., 1946), 480. Clayton had headed for many years the world's largest firm of cotton brokers, Anderson, Clayton Co., of Houston, and served as Assistant Secretary of Commerce, 1942-1945. He was a firm internationalist and was convinced of the responsibility of the United States, because of its productive and financial power, to help restore the world economic balance. His prestige was great in the business world and in Congress. He had had a large share of the responsibility for securing the \$3.75 billion postwar loan for Great Britain. Jones, pp. 120-121.

aid to both Greece and Turkey.¹⁷ Acheson, of course, had been in the State Department since 1941, and had also served as Under Secretary to Mr. Byrnes. Because Byrnes was out of the country much of the time during his tenure, occupied in the frustrating effort to negotiate the Axis satellite peace treaties, Acheson, as Acting Secretary, had in effect run the Department of State.¹⁸ Understandably, he was more familiar with the intricacies of the world political situation than General Marshall. The General, as Army Chief of Staff, had performed admirably during the war and had won universal respect and admiration not only for his abilities as an administrator, but also for his fairness and impartiality. He was, for all practical purposes, an apolitical person in a highly political atmosphere.¹⁹ Most sources

¹⁷Jones, p. 142.

¹⁸Acheson had served six months as Under Secretary of the Treasury in 1933 but resigned when he disagreed with President Roosevelt over the gold devaluation policy. He returned to the government as Assistant Secretary of State for Economic Affairs in February, 1941 and assisted in planning and organizing various international economic agencies such as the International Bank for Reconstruction and Development, UNRRA, and the UN Food and Agriculture Organization. Secretary of State Stettinius had placed Acheson in charge of Congressional liaison, at which Acheson was very successful. When Byrnes became Secretary, Acheson agreed to serve as Under Secretary. Acheson was one of the first of the top-echelon figures in the Administration to press for a "tough" policy toward the Soviet Union, after efforts toward cooperation apparently had failed. Robert S. Allen and William V. Shannon, The Truman Merry-Go-Round (New York: The Vanguard Press, Inc., 1950), pp. 399-403. Acheson continued to serve in his Congressional liaison capacity even after being promoted to Under Secretary. After he resigned, on June 30, 1947, the Congressional liaison duties were assumed by Charles E. Bohlen. James A. Robinson, Congress and Foreign Policy-Making: A Study in Legislative Influence and Initiative (Homewood, Ill.: The Dorsey Press, Inc., The Dorsey Series in Political Science, 1962), p. 144. After Acheson's resignation, liaison with Congress ". . . was not always close or well handled", states one observer. Campbell, p. 20.

¹⁹Daniels, p. 320; Coffin, pp. 308-309; Connally, pp. 316-317; Roper, pp. 171-172.

appear in agreement that General Marshall's forte was not in policy development, but in policy execution.²⁰ His great stature, of course, enhanced any policy to which his name or his approval was attached. Although President Truman had his difficulties with some of his subordinates, he had only the greatest admiration and respect for General Marshall.²¹ In this respect, some observers feared the implications of President Truman's appointment of several former military officers to important positions in the Administration, particularly in the top echelons of the State Department, and the President's apparent tendency to rely heavily on the advice of military leaders.²² There was little, if any, evidence, however, that General Marshall, as Secretary of State, exhibited any of the tendencies or proclivities of the so-called "military mind". He displayed only the firmest loyalty to President Truman and to his decisions.²³

²⁰Daniels, pp. 316-317; Allen and Shannon, p. 420; Connally, pp. 316-317.

²¹"Truman had . . . more confidence in Marshall than in anybody in the government and probably anybody in the world. Sometimes, indeed, he acted . . . as if Marshall were his walking equivalent of George Washington and Robert E. Lee . . ." Daniels, pp. 316-317.

²²In this period, decisions having the greatest import for foreign policy were being made by the military in Germany and Japan. Former top-ranking military men were serving in ambassadorial posts in the Soviet Union, Belgium, Luxembourg, the Union of South Africa, and Panama. In October, 1946, the Foreign Policy Association expressed concern over the apparent influence of the military over the formulation and execution of foreign policy. The Washington Post stated: "Some of our military men seem to think their department is the State Department. They behave . . . like frustrated diplomats." Coffin, pp. 254-255. The emphasis on the military aspects of aid to Greece and Turkey was connected, by opponents of such aid, to the influence of the military upon President Truman.

²³Jones, pp. 106-107.

Under Secretary Acheson was delegated great administrative and policy responsibilities under Mr. Marshall. The Secretary, perhaps because of his military background, firmly believed in the staff and chain-of-command concepts. The details of administration were to be performed by the appropriate levels in the administrative hierarchy. Matters requiring the Secretary's attention were to be presented to him in the form of problem analyses, with alternative solutions proposed. He would then accept, reject, or revise. Policy formulation, then, largely was a function of the staff, under "chief-of-staff" Acheson. Acheson worked closely with the staff and was successful in obtaining good results from its members because of his obvious pleasure in meeting with them and exchanging ideas of relevance to foreign policy. Not only did there exist an excellent personal and working relationship between Secretary Marshall and Under Secretary Acheson, the Under Secretary also enjoyed a close relationship with President Truman, in which there were aspects of both friendship and genuine mutual respect.²⁴ The Under Secretary, during his tenure as the State Department's liaison officer to Congress, had developed beneficial connections with influential members of Congress.

Also intimately involved in the development of the Truman

²⁴Ibid., pp. 100-101. Jones comments: ". . . When [Marshall] gave Dean Acheson, under his command, full authority over policy, administration and operations, the Department of State for the first time in years became an integrated institution subject to the authority of the President, capable of conducting foreign relations in an orderly manner" Other observers, however, without detracting from Secretary Marshall's great abilities as an organizer and administrator, expressed concern whether his system permitted him to be as informed of important details of policy as he should have been, as the President's chief adviser on foreign policy. Connally, pp. 316-317; Allen and Shannon, p. 420; Daniels, pp. 316-317.

Doctrine were a number of lesser-known personages in the State Department, as well as the heads of several Cabinet departments. W. Averell Harriman, Secretary of Commerce and former Ambassador to both Great Britain and the Soviet Union, long had advocated that the United States, in its relations with the Soviet Union, should pursue a course more realistically attuned to the national interest. Mr. Harriman had accompanied the late President Roosevelt to most of the top-level wartime conferences and had been with President Truman at Potsdam. He thus was one of Mr. Truman's most informed advisers on policy relating to the Soviet Union.²⁵ Secretary of War Robert P. Patterson had served as Under Secretary to the wartime Secretary Henry L. Stimson, who had retired in 1945. A New York Republican judge, and trained as a lawyer, Secretary Patterson had become an authority on military history through wide reading. He was widely respected for his dependability, industry, and wisdom. Mr. Patterson was regarded as "completely fearless" and not particularly subtle. Like Mr. Stimson, he believed the United States had inherited world-wide responsibilities with its new position as a world power of the first order.²⁶ Consistently maintaining and advocating a similar position was Secretary of the Navy James V. Forrestal. He early recognized the Soviet Union as a "menace" to United States security.²⁷

Reportedly, the Cabinet member closest to the President was

²⁵Jones, pp. 119-120; Truman, I, 71.

²⁶Jones, p. 119.

²⁷Ibid., p. 118.

Secretary of the Treasury John L. Snyder, a long-time personal friend, whose fortunes had risen in direct ratio to the ascent of Harry Truman from the United States Senate to the Presidency.²⁸ Snyder, an economic conservative, was chosen to head a Cabinet Committee with responsibility for developing a plan for presenting the Greek-Turkish aid program and its larger implications to leaders over the country, particularly in the business world.²⁹

Other Cabinet members, as well as the President, were active in presenting and defending the Truman Doctrine in public speeches throughout the country during the weeks the aid legislation was being debated in Congress. Most active were Secretary of Labor Lewis B. Schwellenbach, Attorney General Tom C. Clark, Secretary of the Navy Forrestal, and Secretary of War Patterson.³⁰ Although he was in Moscow most of this time, Secretary Marshall wired personal appeals to Senator Vandenberg and Representative Eaton for urgent and favorable action on the proposed aid program.³¹ Lower-ranking State Department

²⁸Allen and Shannon, p. 121.

²⁹Truman, II, 105; Jones, p. 168.

³⁰New York Times, March 16, 1947, p. 9; Ibid., March 23, 1947, p. 12; Ibid., March 30, 1947, p. 44; Ibid., April 6, 1947, pp. 1, 51; Ibid., April 16, 1947, pp. 1, 14. Secretary of Agriculture Clinton Anderson added to the difficulties of the State Department by testifying before the Deficiencies Subcommittee of the House Appropriations Committee that there had been no coordination between his department and State on the aid program. A representative of the Agriculture Department, however, testified that Mr. Anderson had been kept fully informed. U. S., Congress, House, Subcommittee of the Committee on Appropriations, Hearings on the Supplemental Appropriation Bill for 1948, 80th Cong., 1st Sess., 1947, pp. 1183, 1191. Cited hereafter as House Subcommittee on Appropriations, Hearings on the Supplemental Appropriation Bill for 1948.

³¹Congressional Record, XCIII, Part 3, 3691, 3724; New York Times, April 22, 1947, p. 20; Ibid., May 7, 1947, pp. 1, 4.

officials also spoke before select groups in support of the Truman program.³²

Under Secretary of State Acheson was responsible for presenting the Greek-Turkish aid program to Congress, for preparing the draft legislation, and for developing in detail the program to be presented as justification for the aid. Likewise, it was his general responsibility for presenting the program to the public in such a way that support would be generated and reflected in Congress. Mr. Acheson cautioned his subordinates that the new policy must be emphasized as a ". . . positive policy directed toward helping free nations strengthen their democracy and their independence" It was not directed "against any country or even any movement," ³³ Under the general guidance of Mr. Acheson, a select group from the State Department's Office of Near Eastern and African Affairs, Office of European Affairs, Office of Economic Affairs, Office of Public Affairs, the Legal Division, Office of the Assistant Secretary for Occupied Areas, and the Central Secretariat, was given only a few days' time to draw up in detail the program of economic, military, and technical aid to Greece and Turkey, draft the necessary enabling legislation and the President's message to Congress, and develop a program of public information. Loy Henderson, of the Near Eastern and African Affairs Office, was named to coordinate the work of this group.³⁴

³²New York Times, March 16, 1947, p. 4; Ibid., March 28, 1947, p. 12.

³³Jones, pp. 145-147.

³⁴Ibid. After the Greek-Turkish aid bill became law, depart-

A Subcommittee on Foreign Policy Information of the State-War-Navy Coordinating Committee was made responsible for developing the public presentation of the Truman Doctrine. Its chairman was Francis Russell, Director of the State Department's Office of Public Affairs. The other principals were the information chiefs of the War and Navy departments. Its task was to gather background data on all aspects of the program, determine the main obstacles to public acceptance and suggest how to overcome them, define the program contemplated, draft the themes to be used in the public approach, anticipate Soviet propaganda and try to counter it, and prepare informational programs for press, radio, periodicals, and group leaders over the country.³⁵

As a follow-up to President Truman's message to Congress, the State Department's Office of Public Affairs made a thorough study of the public reaction to the proposal. Press and radio commentary, opinion surveys, and the views of political leaders, prominent individuals and organizations were analyzed. Although the message was written on a "pro-freedom" rather than an "anti-Soviet" plane in an attempt to prevent war hysteria, results of the analysis showed, in general, that support of the program was based on the belief that United States

mental and interdepartmental "Interim Greece-Turkey Assistance Committees" were set up to prepare the budget justifications to present to skeptical House and Senate Appropriations Committees. The departmental committee was headed by George C. McGhee, of the Office of Under Secretary of State for Economic Affairs. The interdepartmental committee, under the chairmanship of Willard L. Thorp, Assistant Secretary of State for Economic Affairs, consisted of representatives from the departments of State, Agriculture, Commerce, Navy, Labor, War, Treasury, and the Budget Bureau. House Subcommittee on Appropriations, Hearings on the Supplemental Appropriation Bill for 1948, pp. 1149-1151.

³⁵Jones, p. 150.

security required resistance to Soviet expansion and that the Truman Doctrine was designed to achieve that objective.³⁶

Under Secretary Acheson, who had excellent relationships with the press, briefed a select group of correspondents prior to the President's message to Congress. In this off-the-record "background" briefing, Mr. Acheson talked of the British decision to leave Greece, the strategic situation of Greece, the decision to ask Congress for aid, and Mr. Truman's February 27 meeting with leading Congressmen. Acheson held other sessions with newsmen, radio commentators, and columnists in succeeding days.³⁷

In Mr. Acheson's first meeting with newsmen, he did not mention Turkey. In Mr. Truman's message to Congress, references to Turkey were reserved for the latter stages of the address. This was a deliberate attempt of the Administration to de-emphasize assistance to Turkey, because of its wish to avoid an overly-strong Soviet reaction and to avert alarming the American people to the point of defeating the program.³⁸ In the hearings and debates before Congress, aid to Turkey was explored, but not as thoroughly as the Greek aspect of the program. In the hearings before committees of both Houses, Administration spokesmen were most circumspect in not bringing the Soviet Union into the discussions. This puzzled, and even angered, some Congressmen, who could interpret the situation in no light other than as the long-anticipated confron-

³⁶Ibid., p. 176.

³⁷Ibid., p. 145.

³⁸Ibid., p. 162.

tation between America and the Soviet Union.³⁹ When the President's message was being drafted in the State Department, a copy was shown to George Kennan, the acknowledged author of the "containment" policy ostensibly being implemented by the Truman Doctrine. Mr. Kennan, a Foreign Service veteran and respected authority on Soviet Russia, ". . . objected strongly both to the tone of the message and the specific action proposed" He approved the proposal to provide Greece with economic aid but hoped that any military aid would be kept to a minimum. Mr. Kennan opposed any assistance at all to Turkey. Specifically, Mr. Kennan's objections were based on the impression given in the message of two opposed ways of life (democracy v. communism) and the open-end offer to aid free peoples anywhere. He felt that the tone of the message was so strong that Soviet Russia might be forced to declare war. Mr. Kennan expressed his objections to Under Secretary Acheson, but to no avail.⁴⁰

³⁹For example, in the hearings on H. R. 2616 before the House Foreign Affairs Committee, Acting Secretary Acheson did not mention the Soviet Union in his opening statement and referred to Communism only two or three times. In response to questioning by Rep. Chester E. Merrow (R., N. H.) regarding Soviet activities, Mr. Acheson said he preferred "not to discuss the present situation in the light of the possible activities of any foreign power." Rep. Karl E. Mundt (R., S. D.) pressed Acheson to be more specific as to the reason Turkey was spending so much money on keeping up its army. He also wanted to know if the Truman proposal was "the first step in a consistent and complete American policy" designed to stop Communist expansion. Mr. Acheson replied that he did not think the President said his proposal was a "crusade against any ideology." Testifying on the Greek economy and events which had brought that economy to near collapse, Under Secretary of State Clayton refused to be drawn into "speculations about political questions", stating that his responsibility lay in the area of economic and financial matters. U. S., Congress, House, Committee on Foreign Affairs, Hearings, on H. R. 2616, A Bill To Provide for Assistance to Greece and Turkey, 80th Cong., 1st Sess., 1947, pp. 15, 29-33, 75. Cited hereafter as House Committee on Foreign Affairs, Hearings, Assistance to Greece and Turkey.

⁴⁰Jones, p. 155.

The Administration's Congressional Strategy
and the Results

It was the Administration's strategy to present its Greek-Turkish aid proposal to Congress as a "crisis" measure, yet it hoped to unduly alarm neither the American public nor the Soviet Union. As it turned out, the situation, although admittedly serious, was not quite so critical as it had been presented. On the other hand, debate on the proposal, both in Congress and elsewhere, focused on the growing rivalry between the United States and the Soviet Union and the mounting possibilities of a violent confrontation between the two. Thus Congress was under great pressure from the Administration to act with dispatch on the Greek-Turkish aid legislation.

Congress was not to be hurried in this matter, although the Senate, under Senator Vandenberg's leadership, acted much more expeditiously than did the House. Top officials of the Administration appeared before public and closed sessions of Congressional committees conducting hearings on the legislation. Representative Charles A. Eaton (R., N. J.), Chairman of the House Foreign Affairs Committee, introduced H. R. 2616, "A Bill to Provide Assistance to Greece and Turkey", on Tuesday, March 18.⁴¹ On March 19, Senator Vandenberg, Chairman of the Senate Foreign Relations Committee, introduced "by request" S.938, "A Bill to Provide for Assistance to Greece and Turkey."⁴² The House Foreign Affairs Committee began hearings on H. R. 2616 on March 20. The committee held seventeen meetings on the measure: nine public

⁴¹Congressional Record, XCIII, Part 2, 2219.

⁴²Ibid., p. 2223.

sessions and eight executive sessions. Hearings were concluded on April 9 and the measure was reported favorably to the House on April 25.⁴³ Three days of hearings were conducted by the House Rules Committee on H. R. 2616 (April 28, 29, and May 2). On May 2, the Rules Committee reported H. Res. 205, providing for nine hours' general debate on H. R. 2616. On Tuesday, May 6, the House considered and agreed to H. Res. 205. It then began debate on H. R. 2616. Debate continued on the bill and amendments the next day, May 7. H. R. 2616 was adopted on May 9.⁴⁴ The Senate Foreign Relations Committee began open hearings on S.938, the companion measure to H. R. 2616, on Monday, March 24. Other public hearings were held on March 25, 26, 27, and 31. Executive sessions were held on March 28 and April 1, 2, and 3. In addition, an executive session was held on March 13, prior to the introduction of S.938, at which Acting Secretary Acheson and Secretaries Patterson and Forrestal appeared to present the implications of the President's program. The committee reported S.938 favorably on April 3,⁴⁵ and debate began on the measure in the Senate on April 8. Debate continued on April 9, 10, 11, 15, 16, 17, 18, 21, and 22. On April 22, by a vote of 67 "yeas" to 23 "nays", the Senate passed

⁴³House Committee on Foreign Affairs, Rept. No. 314, Assistance to Greece and Turkey.

⁴⁴Congressional Record, XCIII, Part 15, D126, 129, 139, 141, 149, 152, 155, 159.

⁴⁵U. S., Congress, Senate, Committee on Foreign Relations, Assistance to Greece and Turkey, 80th Cong., 1st Sess., 1947, Report No. 90 to accompany S.938, pp. 6-7, 21, in Senate Miscellaneous Reports, I (Washington: U. S. Government Printing Office, 1947). Cited hereafter as Senate Committee on Foreign Relations, Report No. 90, Assistance to Greece and Turkey.

S.938 with amendments.⁴⁶ Conferees of the two Houses were appointed on May 12 and differences between the two measures were compromised on May 13. On May 15, the conference report was adopted by both Houses, thus clearing the measure for the President's signature. On May 22, S.938 was signed by President Truman and became Public Law 75 of the Eightieth Congress.⁴⁷ Thus, more than two months had elapsed since President Truman's message to the joint session of Congress on the crisis in Greece and Turkey. Even yet, the Administration's odyssey was not completed. Its case had to be further justified before the Appropriations Committees of both Houses before the policy contained in S.938 could be fully implemented. The authorization measure had provided that the Reconstruction Finance Corporation could advance the Administration \$100,000,000 to begin the aid program. Yet the whole gamut of hearings and debates had to be traversed again, if the Administration was to receive the full \$400,000,000 authorized by S.938. The portent was none too favorable, in view of the sentiments expressed by Representative John Taber (R., N. Y.), Chairman of the House Appropriations Committee, on May 17, that his committee would be reluctant to approve the cash appropriations to implement Greek-Turkish aid " . . . until we have looked into it very carefully." Chairman Taber was particularly interested in learning from the Administration the "complete" cost of the foreign aid program under the Truman Doctrine. Senator Styles Bridges (R., N. H.), Chairman of the Senate Appropriations

⁴⁶Congressional Record, XCIII, Part 3, 3175, 3195 et seq.; Ibid., Part 15, D76, 79, 107, 108.

⁴⁷Ibid., Part 15, D161, 168, 170, 177, 205.

Committee, likewise had demanded such an overall aid estimate from the Administration.⁴⁸ At the beginning of July, Chairman Taber stated that not even \$100,000 of the aid authorization was justified.⁴⁹ A subcommittee of Chairman Taber's committee, with Taber also serving as chairman of the subcommittee, subjected the Greek-Turkish aid proposal to a rigorous examination on June 27 and 30 and July 1 and 2. Testimony of government witnesses and questioning by subcommittee members consumed 419 pages in the printed hearings--almost as much as was required to report the hearings on the initial authorization measure by both the House Foreign Affairs and Senate Foreign Relations Committees.⁵⁰ The Senate Committee on Appropriations, on the other hand, disposed of the matter at a brief session on July 19.⁵¹ The House had passed the appropriations bill on July 18, surprisingly appropriating the full \$400,000,000.⁵² It was passed by the Senate on July 25, with action by both Houses being completed on July 26. It was approved by the President on July 30, becoming Public Law 271.⁵³ The surprising turn-

⁴⁸New York Times, May 18, 1947, p. 25.

⁴⁹Ibid., July 17, 1947, p. 2.

⁵⁰House Subcommittee on Appropriations, Hearings on the Supplemental Appropriation Bill for 1948, pp. 968-1387.

⁵¹U. S., Congress, Senate, Subcommittee of the Committee on Appropriations, Hearings on H. R. 4269, An Act Making Supplemental Appropriations for the Fiscal Year Ending June 30, 1948 and for Other Purposes, 80th Congress, 1st Sess., 1947, pp. 1-4, 9-12, 15-24, 46-47. Cited hereafter as Senate Subcommittee on Appropriations, Hearings on H. R. 4269.

⁵²Congressional Record, XCIII, Part 15, D400-401.

⁵³Ibid., pp. D432, 435, 439, 441, 443.

about by Chairman Taber and the House Appropriations Committee was attributed to some very "plain talk" by Secretary of State Marshall and the new Under Secretary, Robert A. Lovett, at an executive session of the Deficiencies Subcommittee after the conclusion of its public hearings.⁵⁴

Thus, over five months had elapsed since the Truman Administration had been apprised of the British decision to cease its assistance to Greece and Turkey and the completion of Congressional action on the program recommended by the Administration. Because of the provision in the authorization measure for a loan of \$100,000,000 from the R. F. C., the Administration had been able to initiate action on its plan of assistance. Yet the Administration had been unable to formulate concrete plans until the Appropriations Committees of both Houses had placed their stamps of approval on the planned course of action. A noteworthy feature of the hearings before the House Appropriations Subcommittee, in particular, was the insistence on examining the most minute details of the Administration's plan for aiding Greece and Turkey. By the time of final Congressional action on the proposed aid program, a serious deterioration had occurred in Greece.⁵⁵

Reaction to the Truman Doctrine

The American Public

When the Truman Administration made its decision to intervene

⁵⁴New York Times, July 17, 1947, p. 2. Under Secretary Acheson had left the government on June 30 to return to private law practice.

⁵⁵Testimony of Acheson before House Subcommittee on Appropriations, Hearings on the Supplemental Appropriation Bill for 1948, pp. 969-971, 998.

actively with economic, technical, and military assistance in the Greek-Turkish crisis, it had to take into consideration the reactions of at least three publics: the American people, Congress, and foreigners-- particularly Europeans. It is worth noting that the Administration made its decision without any advance public promotion of the proposal, with the exception of Under Secretary Acheson's briefing of selected representatives of the news media a few days prior to the President's address to Congress. The Administration, therefore, had committed itself to a certain course of action before any serious effort had been made to gain the support of either Congress or the larger American public. After the commitment had been made, however, the Administration systematically proceeded to inform the public of the necessity of its course, even though Under Secretary Acheson denied that any extraordinary measures were being taken along these lines.⁵⁶

At no time during Congressional consideration of Greek-Turkish aid was the general public unfavorably disposed toward the entire program. Although the public had not been pre-conditioned toward favorable reception to this specific program, the public had, since early during United States involvement in World War II, grown increasingly accustomed to the idea of continued participation of this country in international affairs.⁵⁷ However, due to the successful promotion of the United Nations

⁵⁶House Committee on Foreign Affairs, Hearings, Assistance to Greece and Turkey, pp. 39-40.

⁵⁷American Institute of Public Opinion polls during the period January, 1942-August, 1947 indicated that support for active United States participation in world affairs was at no time during this period less than 60 percent of the respondents. Almond, p. 248.

idea and the concept of collective security, the American public was quick to criticize the Truman Doctrine for its ostensible "by-passing" of the United Nations. Even though the United Nations was not equipped to function in this particular crisis, the majority believed that the Truman Administration should at least have made the motion of proceeding through the United Nations. Then, if the world organization could not act, or if its action should be blocked by the obstructionist tactics of the Soviet Union, the moral position of the United States as a faithful proponent of the concept of collective security would be preserved. As some in the Administration had feared, the Soviet-American aspect of Greek-Turkish aid became the focal point in the public debate, as it was in the Congressional debate. In order to quiet the alarms of the American public, as well as the public and officialdom of Europe, regarding the possibilities of a devastating confrontation between the United States and the Soviet Union, the Administration's plans for larger-scale aid were developed around the central notion that this country was interested solely in promoting economic and social well-being, as a means of insuring political stability and thus, world peace.⁵⁸

Public reaction to the Truman Doctrine was immediate, at home and abroad. Pages of the Congressional Record were filled with newspaper editorials, radio addresses, and with the comments of Congressmen, even before actual hearings or debates had begun. As the time for formal debates arrived, the matter had been quite thoroughly aired and, thus, much repetitious comment was encountered. Newspapers, by and large, quickly endorsed the Truman Doctrine. Some, of course, had reservations

⁵⁸Jones, pp. 146, 176, 199-205, 212.

and some were more enthusiastic than others, depending on their positions on the political spectrum. Newspapers supporting the proposal included the following: New York Herald Tribune; Anniston (Ala.) Star; New York Times; Boston Herald; Christian Science Monitor; Providence (R. I.) Journal; Philadelphia Inquirer; Philadelphia Bulletin; Pittsburgh Post-Gazette; Washington Post; Washington Star; Columbus (Ohio) Citizen; Cincinnati Times Star; Indianapolis Star; Louisville Courier Journal; Nashville Tennessean; Atlanta Constitution; Montgomery Advertiser; New Orleans Times-Picayune; Chicago Times; St. Louis Post-Dispatch; Kansas City Star; Houston Post; Portland Oregonian; San Francisco Chronicle; Los Angeles News; New Hampshire Morning Union; Carroll County (N. H.) Independent; Buffalo (N. Y.) Courier Express; Rochester (N. Y.) Democrat & Chronicle; Portland (Me.) Press Herald; Omaha World Herald; St. Paul Pioneer Press; Memphis Commercial Appeal; Jacksonville (Fla.) Times Union; and the Los Angeles Times. Newspapers in opposition included: Chicago Tribune; Chicago Daily News; Chicago Sun; FM; Wall Street Journal; Richmond (Va.) News Leader; Mankato (Minn.) Free Press; and the Miami (Fla.) Herald.⁵⁹

The Greek-Turkish aid proposal was supported by most newspaper columnists and radio commentators, according to a State Department survey.⁶⁰ However, some prominent columnists either opposed the proposal or had reservations. These included Drew Pearson, William L. Shirer, and

⁵⁹Congressional Record, XCIII, Part 10, A865, 892-893, 902, 923, 926, 1009, 1033, 1044-1045, 1052, 1067-1068, 1072-1073, 1092, 1116-1117, 1192, 1219, 1243-1244; New York Times, March 13, 1947, p. 4.

⁶⁰Jones, pp. 173-174.

Walter Lippmann.⁶¹

Prominent individuals outside the Federal government as well as private groups and organizations, were quick to respond to the new American foreign policy. Prominent individuals announcing their support, either full or qualified, included: Sumner Welles (former Under Secretary of State); the Governors of the six New England states: Horace A. Hildreth (Me.), Charles M. Dale (N. H.), Ernest W. Gibson (Vt.), Robert F. Bradford (Mass.), James L. McConaughy (Conn.), and John O. Pastore (R. I.); Alf M. Landon (former Governor of Kansas and Republican Presidential nominee in 1936); Mrs. Franklin D. Roosevelt; Thomas E. Dewey (Governor of New York and contender for the 1948 Republican Presidential nomination); Herbert H. Lehman (former Governor of New York); Harold E. Stassen (former Governor of Minnesota and contender for the 1948 Republican Presidential nomination); and Spyros P. Skouras, movie magnate.⁶²

Organizations supporting the proposed policy included: American Legion; Women's Action Committee for Lasting Peace; Common Cause, Inc.; American Association for the United Nations; Social Democratic Federation; National Republican Club; Americans for Democratic Action; Freedom House; Liberal Party; Council for Social Action of the Congregational Christian Churches; National Foreign Trade Council; National Association of Manufacturers; American Federation of Labor; American Farm Bureau Federation; United States Chamber of Commerce;

⁶¹Congressional Record, XCIII, Part 10, A976-977, 1086, 1097-1098, 1302; Ibid., Part 3, 3289.

⁶²Ibid., XCIII, Part 10, A972, 1110, 1336, 1365; New York Times, March 15, 1947, p. 4; Ibid., March 16, 1947, pp. 3, 13; Ibid., March 23, 1947, p. 3; Ibid., April 10, 1947, p. 6; Ibid., May 6, 1947, p. 7.

National Economic Council; Federal Council of the Churches of Christ in America; and the National Council of Catholic Women.⁶³

Prominent private citizens announcing their opposition to the Truman Doctrine included: Henry A. Wallace (former Vice President and Secretary of Commerce, then editor of the "New Republic"); Fiorello H. LaGuardia (former mayor of New York City and Director-General of UNRRA); Harold Ickes (former Secretary of the Interior); Elliott Roosevelt (son of the late President); Hamilton Fish (former New York Congressman); James P. Warburg (banker, author, and former Deputy Director of the Office of War Information); William Z. Foster (national chairman, U. S. Communist Party); Alvanley Johnston (Grand Chief Engineer, Brotherhood of Locomotive Engineers); and A. F. Whitney (President, Brotherhood of Railroad Trainmen).⁶⁴

Organizations opposed, either in whole or in part, included: League of Women Voters; Methodist Federation for Social Action; American Slav Congress; Progressive Citizens of America; American Council for a Democratic Greece; Veterans of the Abraham Lincoln Brigade; American

⁶³Congressional Record, XCIII, Part 10, A5; Almond, pp. 161-162, 165, 169, 179-180, 203; New York Times, March 13, 1947, p. 3; Ibid., March 14, 1947, p. 3; Ibid., March 16, 1947, p. 3; Ibid., March 26, 1947, p. 4; Ibid., March 28, 1947, p. 12; Ibid., March 30, 1947, p. 46; Ibid., March 31, 1947, pp. 1, 11; Ibid., April 2, 1947, p. 4; Ibid., April 4, 1947, p. 8; Ibid., April 13, 1947, p. 40; Ibid., April 22, 1947, p. 21; Ibid., April 27, 1947, p. 50; Ibid., May 4, 1947, p. 33; U. S., Congress, Senate, Committee on Foreign Relations, Hearings, on S.938, A Bill To Provide for Assistance to Greece and Turkey, 80th Cong., 1st Sess., 1947, pp. 3-4, 151-152, 213-214. Cited hereafter as Senate Committee on Foreign Relations, Hearings on Assistance to Greece and Turkey; House Committee on Foreign Affairs, Hearings, Assistance to Greece and Turkey, pp. 333-334.

⁶⁴Congressional Record, XCIII, Part 10, A1057, 1064-1065, 1328-1329, 1347; New York Times, March 14, 1947, p. 7; Ibid., March 17, 1947, p. 10; Ibid., March 22, 1947, p. 6; Ibid., March 23, 1947, p. 4; Ibid.,

Association of Scientific Workers; National Council of American-Soviet Friendship; Congress of American Women; American Veterans Committee; American Labor Party; Council for Democracy; National Peace Conference; Postwar World Council; Fellowship of Reconciliation; Women's International League for Peace and Freedom; Socialist Party; National Council for Prevention of War; Peoples Mandate Committee for Inter-American Peace and Cooperation; Nation Associates; National Lawyers' Guild; National Farmers' Union; Council on Christian Social Progress, Northern Baptist Convention; Macedonian American People's League; Commission on World Peace of the Methodist Church; International Reform Federation; American Friends Service Committee; War Resisters League; and the C. I. O. Maritime Committee.⁶⁵ Representatives of many of these organizations appeared before either the Senate Foreign Relations Committee or the House Foreign Affairs Committee, or both, during the hearings conducted on Greek-Turkish aid. Several individuals, representing only themselves, appeared before the committees. The predominant sentiment expressed by non-Administration witnesses at the hearings was in opposition to the proposal as advanced by the Administration.⁶⁶

April 1, 1947, p. 9; Ibid., April 26, 1947, p. 28; House Committee on Foreign Affairs, Hearings, Assistance to Greece and Turkey, pp. 195-213.

⁶⁵This list includes groups who supported some form of economic aid to Greece but objected to the Truman proposal on various grounds, such as its military aid features, the "by-passing" of the UN, the linking of aid to Greece with aid to Turkey, or the undemocratic character of the Greek and Turkish regimes.

⁶⁶Nineteen non-Administration witnesses appeared before the House Committee on Foreign Affairs. Six individuals or groups submitted statements for the official record. In the shorter hearings conducted by the

The first complete national survey on aid to Greece and Turkey, released by the Gallup Poll on March 27, showed 56 percent in favor of and 32 percent opposed to aid to Greece. Regarding aid to Turkey, 49 percent were in favor while 36 percent were opposed. An overwhelming majority thought the United States should supervise any aid given to Greece and Turkey. However, a majority disapproved sending American military advisers to train either the Greek or Turkish armies. The respondents gave as their primary reasons for favoring aid to Greece and Turkey the following: check Communism and stop Russia; provide food and other assistance to starving Greece; strengthen America's position and keep peace. On the issue of whether extending economic and military aid to Greece and Turkey was likely to lead to war between the United States and the Soviet Union, 54 percent of the respondents thought this result "not likely", while 30 percent considered war as a "likely" consequence. Although 56 percent favored turning the problem over to the United Nations and 25 percent opposed this solution, when asked their reasons why this matter was not referred to the United Nations the respondents answered:

- (a) The UN is too slow, speed is needed here; (b) the UN is not equipped to handle the problem, has no money to spend and no police force; (c) Russia would use her veto to prevent any action⁶⁷

Senate Foreign Relations Committee, thirty-two non-Administration witnesses presented testimony and three statements were submitted for the record.

⁶⁷The Public Opinion Quarterly, Vol. II, No. 2 (Summer, 1947), 285-286. Results of this poll would seem to indicate that United States possession of an atomic monopoly most definitely did not contribute to any air of truculence or belligerence on the part of the American people toward the Soviet Union.

A Gallup Poll released on April 13 showed 63 percent in favor of turning the problem over to the United Nations, with 23 percent opposed.⁶⁸

A Roper survey in April, 1947, conducted in eleven towns and cities over the nation, indicated that 70 percent of those who were familiar with the Greek-Turkish aid proposal supported it. However, 51 percent of those supporting the measure had reservations.⁶⁹

The New York Times conducted a survey of popular reaction to the Truman proposal in ten areas of the nation: Boston, Chicago, Detroit, Omaha, Richmond, Atlanta, Dallas, Denver, Portland (Ore.), and Los Angeles. It concluded that support of the measure was general throughout the country, although there were reservations. This support was based on a widespread fear of Russian expansionism and antipathy toward Communism as a system. The survey indicated that isolationism was "nearly dead--or at least latent", even in the traditionally isolationist Midwest and Mountain States areas. Americans generally wanted the United Nations to be a success and were a "little uneasy" that the Truman Doctrine may have "by-passed" the world organization.⁷⁰

There seems little question that the great majority of the population supporting the Truman Doctrine did so on the grounds that Communism was a growing danger to the peace of the world and to the security of the United States. The leading exponent of Communism--the Soviet Union--was in most cases identified as the primary source of the difficulty. It

⁶⁸ Ibid., p. 286.

⁶⁹ Roper, pp. 177-179.

⁷⁰ New York Times, March 23, 1947, E5.

now made little difference whether Soviet actions were motivated by desires for security, traditional Russian expansionist ambitions, or the desire to enlarge the sphere of world Communism. This was the negative approach to the problem and the basis of distinction between those who supported the Truman Doctrine because, finally, the United States intended to cease its appeasement of the Russians,⁷¹ and those who viewed the move as a final interment of the traditional isolationist foreign policy which had seen the United States pulled into two world wars and a ruinous depression.⁷² Some viewed the situation in Greece and Turkey, and that emerging in Western Europe, as a challenge to America to assume the position and responsibilities of leadership to which it was entitled by its power and wealth. If it did not assume these responsibilities, the leadership gap would be filled by the Soviet Union. War would result ultimately between the two countries because of their antagonistic systems. War might eventuate under any circumstances, of course, but by assuming its leadership responsibilities the United States would be more able to control those circumstances.⁷³

The more positive aspects of the Truman Doctrine, i.e., the proposal to assist in the economic reconstruction of Greece, were viewed

⁷¹The St. Louis Post-Dispatch interpreted Truman's message as "putting the Soviet Union on notice" and as bringing "completely into the open" the "struggle for world power between the United States and Soviet Russia." Congressional Record, XCIII, Part 10, A1044.

⁷²The New York Herald Tribune viewed the issue as whether the United States ". . . is to shape its own world or allow it to be shaped by others . . ." Ibid., p. A926. Also, see comment by Hanson W. Baldwin, New York Times, March 2, 1947, quoted in Ibid., p. A814.

⁷³Sumner Welles, writing in the Washington Post, quoted in Ibid., pp. A972-973.

hopefully by many as implying that the United States would offer assistance on an even wider scale, particularly in Europe, for economic reconstruction without ideological motivations.⁷⁴ Others supported the proposal simply on humanitarian grounds, as a continuation of the relief assistance provided by the United States through UNRRA and other devices to many nations in the postwar period.⁷⁵

Opposition to the Truman Doctrine ranged from the extreme left to the extreme right. Henry A. Wallace, perhaps, was the most prominent (and voluble) critic on the left. Wallace, and the left in general, opposed the policy on the grounds that it was an undue provocation of the Soviet Union; it was completely negative and meant the end of the Roosevelt policy of peaceful cooperation, particularly through the United Nations. The unilateral Truman policy, which would divide the world into two antagonistic camps, was a return to "power politics" and was nothing but outright imperialism, promoted by American militarists and capitalists who were primarily interested in keeping the Soviet Union away from the oil of the Near and Middle East. It was rank hypocrisy to describe the governments of Greece and Turkey as democratic. Rather than a declaration against all forms of totali-

⁷⁴Former Kansas Governor Alf M. Landon urged that the United States get to the "heart" of the situation and help Europe rebuild. Congressional Record, XCIII, Part 10, A1110. Mark Sullivan, writing in the New York Herald Tribune, March 21, 1947, believed the Truman policy ultimately would end the drain on the U. S. Treasury for foreign relief by helping to re-establish the normal conditions of international trade. Ibid., p. A1197. Mrs. Anne O'Hare McCormick urged that the Truman plan be expanded into a ". . . master plan for the resurrection of Europe . . ." Ibid., XCIII, Part 11, A1525.

⁷⁵This was the second most frequent reason given for approving aid to Greece and Turkey in a Gallup Poll released on March 27, 1947. Ibid., XCIII, Part 2, 2827-2828.

tarianism, the Truman Doctrine meant that the United States had cast its lot with reactionary regimes the world over in an alliance against Communism. Instead of stopping Communism, this policy would promote its spread throughout the world, especially in those areas striving to free themselves of foreign domination. If Greece needed aid in reconstructing its economy, then any American assistance should be channelled through the United Nations, with guarantees that such aid would be used only by the people and not by the regime for political purposes. If Greece needed assistance in restoring order, this was a problem solely for the United Nations. In fact, a United Nations commission was in Greece investigating the northern border incidents, it was argued. Instead of awaiting the report of this commission, however, the United States had intervened unilaterally. Few liberals conceded that Turkey needed assistance of any nature. If its national integrity was being imperiled, then the matter should be brought before the United Nations. Liberals could see no distinction between the present "crisis" and the previous crises in Iran and Indonesia, which had been dealt with by the United Nations.⁷⁶ A few liberals conceded the necessity for assistance to Greece and Turkey and agreed with the Administration's contention that the United Nations and its affiliated agencies were unequipped to act in the emergency. They urged, however, that the United States consult closely with the world body in all aspects

⁷⁶See speeches and articles of Henry A. Wallace, cited in Ibid., XCIII, Part 10, A1064, 1329, and in New York Times, March 14, 1947, p. 7; Ibid., April 1, 1947, p. 9; Ibid., May 1, 1947, p. 9. Most of the groups appearing before Congressional committees holding hearings on the aid bill reflected varying aspects of the liberal opposition.

of its program of assistance and be prepared to step aside if the United Nations eventually should be able to intercede. Unless the United States demonstrated a willingness to act through or in cooperation with the United Nations, it would be open to justifiable criticism at home and abroad.⁷⁷

Many opponents on the right also utilized the argument that Greek-Turkish aid was a problem for the United Nations and thus criticized the Truman policy for "by-passing" that organization.⁷⁸ Again, with the liberal opposition, they argued that the United States was being asked to "pull British chestnuts from the fire" and that such a policy could only lead to war with the Soviet Union.⁷⁹ Die-hard isolationists contended that United States security would be unaffected by anything that occurred in Greece or Turkey.⁸⁰ That Communism was a "danger" was conceded, but United States interests could best be served by eliminating Communism from within the United States itself before

⁷⁷Without classifying him as either "liberal" or "conservative", Walter Lippmann argued this point. Congressional Record, XCIII, Part 10, A1086. Lippmann also objected that the Truman Doctrine ". . . commits us to an alliance with the most reactionary forces in the world and alienates the moderate and democratic forces" Ibid., Part 3, 3289.

⁷⁸The right-wing argument that the Truman program "by-passed" the United Nations was a facade for more deeply-held objections, such as to the prospective ultimate costs of foreign aid and to any involvement in affairs outside the Western Hemisphere. E.g., see remarks of Drew Pearson in Ibid., Part 10, A976-977; editorial in Detroit Free Press, March 9, 1947, in Ibid., p. A923; remarks of Dr. Douglas S. Freeman, editor of Richmond (Va.) News-Leader, in Ibid., pp. A1017-1018.

⁷⁹Chicago Daily Tribune, March 13, 1947, cited in Ibid., p. A1072.

⁸⁰Editorial, Chicago Daily Tribune, cited in Ibid., p. A865.

becoming embroiled in such distant places as Greece and Turkey.⁸¹

Many conservatives were convinced that the policy of providing aid to foreign countries, if continued, soon would bankrupt the United States.

The United States could neither purchase European friendship nor stop Communism with dollars. To attempt to do so would simply play into Stalin's well-laid trap.⁸²

Not to be forgotten were those traditionalists who, quoting from Washington's Farewell Address and the Monroe Doctrine, viewed the Truman Doctrine as a "dangerous departure from our traditional foreign policy"⁸³ Opponents on both left and right maintained that the United States, by intervening in Greece and Turkey, was perpetrating the identical sin for which righteous indignation had been hurled upon the Soviet Union.⁸⁴

The Response Abroad

Reactions to the Truman Doctrine were not slow in coming from Europe and other parts of the world. In Greece, the measure was hailed by all except Communist circles. The latter described it as open intervention on behalf of the "present Fascist regime" and said it could

⁸¹Testimony of Hamilton Fish, isolationist former N. Y. Congressman, before House Committee on Foreign Affairs, Hearings, Assistance to Greece and Turkey, pp. 195-213.

⁸²Editorials, Enid (Okla.) News, March 2, 1947, and Detroit Free Press, March 9, 1947, in Congressional Record, XCIII, Part 10, A847-848, 923.

⁸³Statements of Hamilton Fish, and Dr. Samuel Guy Inman, Guest Professor of International Relations at Ohio Wesleyan University, before House Committee on Foreign Affairs, Hearings, Assistance to Greece and Turkey, pp. 195-213, 215-223.

⁸⁴Statements of Fish, and Martin Popper, Executive Secretary, National Lawyers Guild, in Ibid., pp. 196, 260-264.

only result in intensifying the civil war. The pronouncement likewise was warmly received in Turkey, where there were very few Communists to voice opposition.⁸⁵ In Nanking, China, Nationalist Chinese officials expressed hope that the Truman proposal meant an end to America's China policy of attempting to get the Nationalists and Communists together in a coalition government.⁸⁶ The Yugoslav Communist newspaper "Borba" denounced the Truman proposal and described the United States as a ". . . force that menaces the independence of nations"⁸⁷ In France, the National Congress of the Popular Republican Movement endorsed the Truman proposal but expressed apprehension that it would divide the world into ideological blocs. Feeling was particularly strong in France that the new United States policy would compel a showdown between the Soviet Union and the Western world, compelling France to make a choice it was most reluctant to make. Some described it as an imperialistic move connected with activities of United States "big business men" in the Near East. Many were apprehensive that the United States would offer aid to France on the same terms as the Greek offer. France was unstable politically and financially hard-pressed. The Truman proposal tended to bring to a climax the continuing crisis between the extremes of left and right. Reactions by Communist members of the Assembly provoked a governmental crisis on March 19, causing Premier Paul Ramadier to demand a vote of confi-

⁸⁵New York Times, March 13, 1947, p. 6.

⁸⁶Ibid., March 14, 1947, p. 5.

⁸⁷Ibid., March 17, 1947, p. 3.

dence. Support for the Truman policy came from the extreme right, who thought it meant the United States would intervene to prevent the Communists from coming to power in France, and by the Radicals and the Democratic Socialist Resistance Union (largely DeGaulist). Both the Socialists and Popular Republicans agreed in private that Truman had accurately pinpointed the menace to peace but they feared it would hasten the time France had to choose between East and West. France's dilemma seemed to be that the United States had the financial assistance that France needed, whereas Moscow controlled the French party that spoke for the bulk of the working class and the trade unions. There was a definite possibility of a civil clash in France.⁸⁸

Generally, in Europe outside the Iron Curtain, the reaction to the Truman Doctrine seemed to be that the new United States policy would bring either real peace or atomic annihilation.⁸⁹ In Britain, the Labor Government officially welcomed the Truman proposal, yet many members of the Labor Party were highly critical. Many Britons on both left and right feared that the blunt policy would lead to war and to British annihilation. Many Britons simply resented that Great Britain was being supplanted as a world leader by the United States. There was criticism in both Britain and France that the new United States policy had "by-passed" the United Nations. A majority of Britons seemed to welcome the Truman Doctrine, however, as proof that the United States at last had matured politically and diplomatically and had ended

⁸⁸Ibid., March 17, 1947, pp. 5,23; Ibid., March 18, 1947, p. 6; Ibid., March 21, 1947, p. 1; Ibid., March 30, 1947, E5.

⁸⁹Ibid., March 30, 1947, E5.

its long affair with isolationism. Both the Conservative and Liberal parties endorsed the proposal.⁹⁰

Reaction was divided in Italy along ideological lines. Communists, Socialists, and left-wingers strongly opposed the Truman proposal as a threat to Soviet Russia. Conservatives, and a large part of the middle class, regarded it as an efficient means of checking Communism. Many Italians hoped it would lead to a revision of the Italian peace treaty - more in Italy's favor. Many feared it would lead to war.⁹¹

In the Low Countries and Scandinavia, the Truman proposal was received with apparent misgivings.⁹² In Eastern Europe and the Soviet Union, the Truman Doctrine was viewed as a "direct threat to Greek freedom and independence . . ." and "frankly directed against the democratic elements in Greece."⁹³ The United States statement of aims in Greece was compared with the tactics of Hitler, who "also referred to the Bolsheviks when he wanted to open the road to conquests."⁹⁴ The United States was soundly castigated for disavowing its obligations to the United Nations. If it could not dominate the United Nations, it would ruin the world body. The so-called threat to Turkish integrity was merely a disguise to cloak American "plans of expansion."⁹⁵

⁹⁰Ibid.

⁹¹Ibid.

⁹²Ibid.

⁹³Ibid., March 14, 1947, p. 4.

⁹⁴Ibid., March 15, 1947, p. 4.

⁹⁵Ibid.

America was charged with an "imperialism" of the same order as that lately pursued by Germany, Italy, and Japan. The Communists also charged that an economic crisis confronted the United States, thus prompting it to seek new markets for its "swollen" wartime industrial capacity. In addition, it was alleged, the United States coveted oil and naval bases in the Near and Middle East.⁹⁶ At the United Nations Security Council on April 7, Soviet Deputy Foreign Minister Andrei A. Gromyko asked that the Council create a commission to administer United States assistance to Greece, in order to insure that such assistance would be used only for the benefit of the Greek people. Turkey, in the Soviet view, was not entitled to any assistance. The reason the United States had not presented the Turkish case to the Security Council, Gromyko charged, was that it could not prove the existence of a threat to Turkey's integrity from any source.⁹⁷

Congress and the Truman Doctrine

The most critical test of the Truman Doctrine was in the Republican-controlled Eightieth Congress. The reactions of the American and European publics naturally were reflected in Congress and played no small part in the decision reached by that body.

The time required by Congress to consider and act upon the Greek-Turkish aid proposal has been detailed above. Initial Congressional reaction to President Truman's message of March 12 indicated eventual approval of the aid proposal. There were never any serious

⁹⁶Ibid., March 22, 1947, p. 6.

⁹⁷Ibid., April 8, 1947, pp. 1, 4.

doubts that the measure would receive ultimate Congressional approval, yet the Administration continued to stress the urgency of the situation and press for quick action. As time wore on, opponents pointed out that neither Greece nor Turkey had collapsed under Communist pressures. They accused the Administration of attempting to create an unwarranted crisis atmosphere in order to prevent unhurried Congressional examination of a radical departure in American foreign policy.

The Greek-Turkish aid program was managed in the Senate by Senator Arthur Vandenberg, Chairman of the Foreign Relations Committee, and in the House by Representative Charles Eaton, Chairman of the Foreign Affairs Committee. Although a Republican, Senator Vandenberg was the firmest supporter of the proposal in Congress and the Administration's hope for rapid and uneventful passage. Senator Vandenberg began hearings on the aid bill several days after hearings had commenced in Representative Eaton's committee, yet the Foreign Relations Committee had concluded its hearings, made a favorable report, and the Senate had approved the bill before Eaton's committee had made its report to the House. Vandenberg did not appear to rush the proceedings before his committee unduly, and all witnesses who asked to be heard were given an opportunity to appear.⁹⁸ Obviously committed to the proposal from the beginning, Vandenberg conducted the hearings so as to permit thorough consideration of the proposal and the alternatives. Yet the chairman succeeded in instilling a sense of urgency in the proceedings

⁹⁸There were complaints from some of the opponents, however, that insufficient time had been given to opposition witnesses. There were also charges of attempts to smother the opposition. See statement of Sen. Taylor (D., Idaho), in Congressional Record, XCIII, Part 2, 2619-2620.

before the Senate committee, a feeling not equally reflected in the proceedings before its House counterpart. Senator Vandenberg was master of the situation at all times, whereas Representative Eaton was less aggressive--often leaving the hearings in charge of another member of the committee. Senator Vandenberg was an active interrogator of witnesses, whereas Representative Eaton rarely, if ever, asked a question. Administration witnesses who appeared before the Foreign Relations Committee were treated with the greatest civility. Only on one occasion was an Administration official subjected to barbed questioning, and this was by a non-member of the committee, Senator Claude Pepper (D., Fla.), an outspoken liberal critic of the proposal.⁹⁹ Although Senator Vandenberg believed that the Administration had erred in failing to coordinate its action with the United Nations, and submitted an amendment to correct this situation,¹⁰⁰ his most pointed criticism of the Administration arose from its failure to apprise Congressional leaders of the critical situation in Greece and Turkey at an earlier date.¹⁰¹ Before the House Foreign Affairs Committee, Administration spokesmen received, at times, much less gentle treatment than in the Senate committee. Interestingly, however, the same House members who subjected Administration witnesses to the most antagonistic questions frequently came to the defense of the proposal when it was under attack by non-governmental witnesses. The non-governmental witnesses

⁹⁹Senate Committee on Foreign Relations, Hearings on Assistance to Greece and Turkey, pp. 36-47.

¹⁰⁰Ibid., pp. 16-18, 198.

¹⁰¹Congressional Record, XCIII, Part 2, 2167.

overwhelmingly were in opposition to the Truman proposal before both committees. However, as Chairman Vandenberg pointed out, most leading groups did not ask to be heard on the proposal.¹⁰² Many of the same witnesses appeared before both committees.

The major change recommended in the legislation by either committee was the so-called Vandenberg amendment. Proposed by Senator Vandenberg and adopted by both his committee and the Foreign Affairs Committee, the amendment attempted to rectify what was generally conceded to be a mistake in tactics by the Administration, in that it had not consulted first with the United Nations before initiating its unilateral action in the Greek-Turkish crisis. With the acquiescence of the Administration, the Vandenberg amendment was incorporated into the final legislation. Under this provision, the United States agreed to withdraw its aid to Greece and Turkey should either government so request or should the United Nations so recommend, on the finding that United Nations aid made the continuance of United States assistance unnecessary. The United States voluntarily waived its right to veto such action.¹⁰³

In general, the same arguments for and against the Truman Doctrine were heard in the Congressional hearings and debates as were expressed by the general public and in the communications media. Both sides relied on their own interpretations of public opinion. The attack against the Truman Doctrine in the Senate was led by a band of

¹⁰²Senate Committee on Foreign Relations, Report No. 90, Assistance to Greece and Turkey, p. 7.

¹⁰³Senate Committee on Foreign Relations, Hearings on Assistance to Greece and Turkey, p. 198.

Democrats, including Senators Pepper (Fla.), Taylor (Idaho), and Johnson (Colo.). Both Pepper and Taylor were liberals. Johnson was considered a conservative, although in the Seventy-ninth Congress he had supported the Administration on most controversial issues. Opposition based on isolationist sentiment was more vocal in the House than in the Senate, although the liberal opposition was represented.¹⁰⁴

The Administration's case for the Greek-Turkish aid program was eloquently and comprehensively presented by Senator Vandenberg. The Truman Doctrine was not a radical departure in American foreign policy. It was, instead, a plan for peace, for strengthening the United Nations by supporting its objectives until the organization was capable of

¹⁰⁴For an exposition of the various points made in opposition to the Truman Doctrine in Congress, see remarks of Rep. Sabath (Ill.), in Congressional Record, XCIII, Part 2, 2210; Rep. Schwabe (Okla.), in Ibid., Part 10, A1069; Sen. Johnson (Colo.), in Ibid., p. A1117, and in Ibid., Part 3, 3290-3293, 3398-3399, 3504-3509, 3752; Sen. Taylor (Idaho), in Ibid., pp. 2866, 3345-3346, 3387-3388; Rep. Bender (Ohio), in Ibid., Part 2, 2587; Sen. Pepper (Fla.), in Ibid., Part 3, 3279-3288, 3607; Sen. Buck (Del.), in Ibid., p. 3783; Sen. Byrd (Va.), in Ibid., pp. 3773-3774; Sen. Thomas (Okla.), in Ibid., Part 10, A971; Sen. McKellar (Tenn.), in Ibid., Part 3, 3767-3768; Sen. Williams (Del.), in Ibid., pp. 3758-3759; Sen. Brooks (Ill.), in Ibid., p. 3468; Sen. Butler (Neb.), in Ibid., p. 3239; Rep. Hoffman (Mich.), in Ibid., Part 10, A1050; Rep. Smith (Ohio), in Ibid., p. A1106; Rep. Rich (Pa.), in Ibid., Part 3, 2993; Rep. Smith (Wisc.), in Ibid., Part 4, 4611, 4620; Rep. Vursell (Ill.), in Ibid., pp. 4626-4628; Rep. Knutson (Minn.), in Ibid., pp. 4640-4641; Sen. O'Daniel (Tex.), in Ibid., Part 3, 3770-3771; Sen. Wherry (Neb.), in Ibid., p. 3739; Sen. Martin (Pa.), in Ibid., pp. 3223-3225; Sen. Thomas (Utah), in Ibid., p. 3328; Sen. Lodge (Mass.) and Sen. Saltonstall (Mass.), in Ibid., pp. 3336-3337; Sen. Flanders (Vt.), in Ibid., p. 3338; Sen. Murray (Mont.), in Ibid., pp. 3491-3492; Sen. Hawkes (N. J.), in Ibid., p. 3609; Sen. Revercomb (W. Va.), in Ibid., pp. 3470, 3682, 3689; Sen. Brewster (Me.), in Ibid., p. 3692; Sen. Malone (Nev.), in Ibid., p. 3729; Sen. McClellan (Ark.), in Ibid., pp. 3150-3156; Sen. Eastland (Miss.), in Ibid., p. 3328; Sen. Bridges (N. H.) and Sen. Dworshak (Idaho), in Ibid., p. 3470; Sen. Robertson (Wyo.), in Ibid., p. 3789; and Rep. Chenoweth (Colo.), in Ibid., Part 4, 4615. See also House Subcommittee on Appropriations, Hearings on the Supplemental Appropriation Bill for 1948, pp. 983, 1055-1056, 1149, 1151, 1258, 1382.

taking over in the situation. He denied that the United States was embarking on an imperialistic course. Our proposed action was only "intelligent self-interest". The United States did not propose to "underwrite the earth"; yet, he warned, there would be further needs for aid. The senator hoped, in the future, however, that we had enough foresight that it would not be necessary to react continually on a crisis basis. Senator Vandenberg called for "honorable" efforts to remove the friction between the United States and the Soviet Union and the "closest possible integration" of our plans with the United Nations. He did not defend the excesses of the Greek Government but pointed out that it had been chosen in a free election and that the Food and Agriculture Organization of the United Nations had recommended that the Greek Government seek United States aid. The United States had a right to expect improvements, however, in the character and efficiency of the Greek regime, once our aid and advice had been extended. American military assistance was intended only to ". . . help Greece help herself to be self-reliant" He denied that we were plotting any offense against the Soviet Union, yet ". . . what we deny to ourselves as a matter of morality we also must deny to others as a matter of conquest." Senator Vandenberg demanded that the Soviet Union demonstrate "in deeds" that it was not "plotting to encircle us in a Communist-dominated world" If Congress should refuse to back the President when he has so clearly enunciated America's intentions, we could never again expect to convince anybody that we are serious when we say we shall not compromise basic human rights and fundamental freedoms. Senator Vandenberg urged that the United Nations "be used to the maximum of practical

possibilities" But we would "ruin it by assigning to it functions which it does not possess" He expressed his "regret" that President Truman had not, in his March 12 address, simultaneously advised the Secretary General of our intentions instead of waiting sixteen days to do this indirectly through our Security Council representative. The senator also expressed regret that there had been so little time for consideration of such a program. He explained that he had not been advised until February 27. Then, in closing, Senator Vandenberg candidly pointed out the distinction between the roles of President and Congress in American foreign policy. Simultaneously, he very concisely presented the case for bipartisanship in foreign policy:

. . . we confront a condition and not a theory . . . Congress does not have an unprejudiced chance to exercise truly independent and objective judgments in such circumstances as we here confront . . . Congress does not enjoy original jurisdiction in foreign relations. That is the prerogative of the Chief Executive. We come in, usually, only at the eleventh hour, when our choice is the lesser of two evils . . . I do not for an instant mean to say we cannot act on our own independent judgments . . . I do not mean to say that we can either shift or dodge our share of responsibility . . . But I do mean to say that among the paramount factors to which we dare not deny due weight is this: To repudiate the President of the United States at such an hour could display a divisive weakness which might involve far greater jeopardy than a sturdy display of united strength. We are not free to ignore the price of noncompliance¹⁰⁵

Debate was to continue on the aid measure for several weeks.

Even after Congressional approval of the authorization bill, proponents would have to repeat the process and justify the program to the House and Senate Appropriations Committees--little Congresses in themselves. Yet

¹⁰⁵Congressional Record, XCIII, Part 3, 3195-3198.

while busily engaged in shepherding the Greek-Turkish aid program through Congress, the Administration had begun initial planning on an expansion of this program to a wider and even more crucial area. It had become apparent that Europe was not experiencing as rapid a recovery from the effects of the war as had been hoped. Circumstances seemed to be conspiring against recovery. Administration leaders became convinced that American assistance would be required to prevent an economic and political catastrophe in Europe that would have world-wide ramifications. The Truman Doctrine had not been advanced entirely as a reaction to Soviet pressures in the eastern Mediterranean although certainly those pressures acted as a catalyst for the new American policy. Some figures within the Administration had foreseen at an early date that foreign aid demands on the United States would increase, rather than decrease, if the dislocations caused by the war were ever to be corrected. Congress was growing restive under the heavy postwar aid requirements, however, and with the Republicans in control it was doubtful if more than emergency or stop-gap relief and rehabilitation measures could continue to gain its approval. Therefore, careful preparations would have to be made if aid on the scale required in Europe could be expected to gain the affirmation of Congress and the American public.

CHAPTER IV

THE MARSHALL PLAN

Background Developments

In late April, 1947, Secretary of State Marshall returned to the United States after nearly two months in Moscow at a session of the Council of Foreign Ministers. The meeting, devoted primarily to Germany, had ended in abysmal failure. A peace treaty, and an end to the debilitating partition, appeared even further from reality than prior to the meeting. At this juncture, the only apparent course for the United States was to proceed with the plan for merger of its occupation zone with that of the British and to attempt to persuade a reluctant France to join in this plan. Among American officials it was the consensus of thinking that Germany would be a continuing financial drain on the United States so long as it remained compartmentalized. Moreover, unless the German economy were rehabilitated and restored to its central position in the European economy, there appeared to be no hope of effecting more than a superficial economic recovery in Europe. America had contributed billions of dollars toward the relief and rehabilitation of postwar Europe. Yet, nearly two years after the war's end, economic and perhaps political, disaster confronted Europe. Returning from Moscow, Secretary Marshall and his aides concluded that an even greater effort would be required of both

the United States and Europe in order to avert the impending collapse.¹

This perhaps was the origin of what soon was to become known universally as the "Marshall Plan".² Yet there are other antecedents. Among these was the Truman Doctrine, which was being debated in Congress and among the American public at the time of Marshall's return from Moscow. It had become identified, however, as primarily an anti-Communist reaction--and an overly-militant reaction, at that, although it did contain economic reconstruction features. Previously mentioned were the billions of American dollars in loans, credits, food, and equipment for the relief and rehabilitation of war-torn areas. The failure of this piecemeal approach to economic recovery was becoming increasingly apparent to American policy-makers and other close observers.³ It was

¹Ward, pp. 143-144; Harry Bayard Price, The Marshall Plan and Its Meaning (Ithaca, N. Y.: Cornell University Press, 1955), pp. 3, 21; Jones, pp. 218, 221-224.

²Price, p. 3. The evidence indicates that the "Marshall Plan" was from conception to implementation a joint venture, receiving contributions from many sources. An attempt is made herein to indicate the major sources. Former President Truman gives Marshall ". . . full credit for his brilliant contributions to the measure which he helped formulate. And it was Marshall who had envisioned the full scope of this approach. He had perceived the inspirational as well as the economic value of the proposal . . . I believe the fact that a man of Marshall's world standing made the proposal of this policy helped greatly in its eventual adoption . . ." Truman, II, 115. The late Senator Tom Connally (D., Tex.) states flatly that Dean Acheson deserves "full credit" for originating the concept and the formula of the "Marshall Plan". Connally, p. 323.

³Former President Truman writes that by 1947 ". . . it was apparent that an even larger and more comprehensive program was needed to achieve the rebuilding of the economy of Europe . . . I was looking for some method that would encourage the peoples of Europe to embark upon some joint undertaking that would eventually lead to effective self-help." Truman adds that in the fall of 1946 "the State-War-Navy Coordinating Committee was asked to join in this study and to submit recommendations for action . . ." Truman, II, 111, 113.

becoming apparent, also, that the United States Congress was growing increasingly reluctant to vote funds for emergency assistance, with decreasing prospects for tangible returns on such assistance or for a foreseeable end to the series of emergencies.

In examining the lineage of the Marshall Plan, it is worthwhile to observe the activities of two important officials who preceded Mr. Marshall in State Department service: Under Secretary Dean G. Acheson and Assistant Secretary (later Under Secretary) for Economic Affairs William L. Clayton. In April, 1946, Acheson and Clayton jointly proposed to then Secretary Byrnes a plan whereby the United States would undertake a "general initiative" in regard to the wide range of political problems remaining unresolved in Europe. Without going into the details of the proposal, it is important to note that its purpose was to secure a reversal of the process whereby Europe was being divided into rival power blocs. Even should the plan prove unsuccessful, the onus for Europe's division could not then be placed upon the United States. One feature of the Acheson-Clayton proposal is important in the development of the thinking which culminated in the Marshall Plan. This looked specifically toward developing a solution to Europe's problem of lagging reconstruction. It was proposed that an all-European economic organization be created for the purposes of accelerating European reconstruction and achieving greater economic unity in Europe. It was further proposed that a specific commitment be made by the United States to contribute "substantial economic aid" to the organization. Secretary Byrnes rejected the Acheson-Clayton proposal. It has been speculated that the proposal did not fit Secretary Byrnes' style of

"treaty-by-treaty piecemeal negotiation" with Soviet Russia and that he preferred instead to test the Russians with his plan for a long-range German demilitarization treaty.⁴

In the preceding chapter it was explained that Under Secretary Acheson took the lead in fashioning the American response to the Greek-Turkish crisis. Before President Truman submitted the Greek-Turkish assistance proposal to Congress, Acheson, on March 5, initiated a study to determine the extent of similar assistance requests which might be made of the United States during the coming months. General Eisenhower, Army Chief-of-Staff, had urged such a study and a general appropriation consolidating all aid requests, including that for Greece and Turkey. Acheson and Secretaries Forrestal and Patterson, however, felt that the Greek-Turkish assistance request could not be delayed for the period such a study would require. Likewise, they were of the opinion that such a request would not be approved by Congress at that time. Each agreed that the study should be made, however.⁵ President Truman and his advisers, after studying the implications of the situation presented in the Greek-Turkish crisis, apparently proceeded on the assumption that their course in seeking Congressional approval of economic, military, and technical assistance for those beleaguered states constituted in effect a long-term American commitment to the development of a world security system, ultimately involving a much greater expenditure of American resources than was reflected in the Greek-Turkish program.

⁴W. W. Rostow, The United States in the World Arena: An Essay in Recent History (N.Y.: Harper and Brothers, Publishers, 1960), pp. 185-187.

⁵Jones, pp. 137-138, 159.

This commitment, however, could not be enunciated explicitly without the firm support of Congress and the American people. This support could be gained only through careful preparations.⁶

On March 11, a Special Committee of three members, one each from the departments of State, War, and Navy, was created by the State-War-Navy Coordinating Committee (SWNCC). Members of the Special Committee were William A. Eddy, Special Assistant to the Secretary of State for Research and Intelligence; Brigadier General George A. Lincoln, War Department; and Rear Admiral E. T. Wooldridge, Navy Department. The committee was given three weeks in which to complete a study on the countries that might need emergency aid from the United States in the coming months. The study then was to be expanded to cover all countries that might require long-range assistance from the United States. Seven subsidiary committees were established to study various aspects of the problem and a Committee on Extension of Aid to Foreign Countries was created to formulate the position of the State Department on the inter-departmental committees. The committee members consisted, generally, of lower-ranking officials in the three departments, since at this time the top-ranking officials of these departments were occupied with other important matters. The committee's preliminary report, completed on April 21, surveyed the economic, financial, political, and social conditions in twelve "critical" countries, mostly in Europe. The studies recognized the critical situation of the world economy but that the task of its reconstruction could not be undertaken by the United States alone.

⁶James Reston, in the New York Times, March 11, 1947. Reproduced in Congressional Record, XCIII, Part 10, A983.

Any general recovery program, to be successful, would require close coordination among participating countries. The importance of a revival of German production and trade to European recovery was emphasized. Although it was agreed that preference in assistance should be given to democratically oriented countries, the interdependence of all European countries was recognized. Trade between Western and Eastern Europe should be encouraged, the report recommended. Even financial and commodity assistance to the Soviet satellites was not to be ruled out, if this would produce a secondary advantage to Western Europe while minimizing its benefit to the satellites.⁷

Shortly after assuming office, Secretary Marshall, on February 22, speaking at Princeton University's bicentennial celebration, cautioned his listeners that Americans were not awake to the seriousness of the postwar world situation

. . . If the world is to get on its feet, if the productive facilities of the world are to be restored, if democratic processes in many countries are to resume their functioning, a strong lead and definite⁸ assistance from the United States will be necessary.

In his public utterances, Secretary Marshall repeatedly urged Americans to awaken to their world responsibilities.

While in Moscow, Secretary Marshall had recognized the connection between the German problem and general European recovery. He pointed out to Marshal Stalin the interest of the United States in promoting European economic recovery and that this country had no ulterior

⁷Jones, pp. 199-205.

⁸Congressional Record, XCIII, Part 10, A792.

motives in seeking such an objective. After returning to America, the Secretary of State told the American people in a radio address that Europe was disintegrating too rapidly for any further delay in seeking a solution. The next day, April 29, Secretary Marshall instructed George Kennan, head of the department's recently created Policy Planning Staff (PPS), to develop ideas and suggestions for a program of United States assistance to European reconstruction. Kennan was told to "avoid trivia." It is interesting to note that the pace of the Administration's planning was accelerated at this point, because the subject of Europe's plight was now a matter of wide public and Congressional discussion. The Secretary feared that Congress might act precipitately and force an unsatisfactory plan upon the Administration.⁹

The Policy Planning Staff issued its memorandum on aid to Europe on May 23. In the meantime, Under Secretary Acheson, substituting for President Truman, delivered an important address on "The Requirements of Reconstruction" before the Delta Council at Cleveland, Mississippi, on May 6. The speech had two purposes: first, to emphasize the positive (economic) aspects of the Truman Doctrine, and in so doing, return the level of public discussion of this policy to a less militant plane; and second, lay the groundwork for an even greater undertaking by the United States to stabilize the world's economy.¹⁰ Although

⁹Jones, pp. 169, 222-224; Robert Ellsworth Elder, The Policy Machine: The Department of State and American Foreign Policy (Syracuse: Syracuse University Press, 1960), p. 84.

¹⁰U. S., Dept. of State, Bulletin, Vol. XVI, No. 411 (1947), 991-994; Truman, II, 113. Truman refers to Acheson's speech as the

Acheson denied later that the speech was a "trial balloon" for the Marshall Plan,¹¹ it was undisputed that the Under Secretary, prior to delivering the speech, indicated its importance in relation to American foreign policy to three British newsmen.¹² In fact, the Administration was disappointed in the coverage given Acheson's speech by the domestic news media. It was not until reports of the speech, along with British and European reaction, began filtering back across the Atlantic that its significance began to be appreciated by the news media in this country.¹³

On May 9, a memorandum on European reconstruction was submitted to the Policy Planning Staff by three members of the staff of Under Secretary of State Clayton. It proposed a coordinated European recovery program assisted by the United States and directed not only at solving immediate problems but also at the ultimate integration of the European economy. Although the proposal recommended the inclusion

"prologue" to the proposal given "full development and expression a month later by Marshall." According to Jonathan Daniels, when it developed that Truman could not fill the speaking engagement he "called Acheson to the White House and outlined what he hoped he would say." Daniels, p. 321.

¹¹Price, p. 24.

¹²Jones, p. 212.

¹³Truman, II, 113; Daniels, pp. 321-323; Jones, p. 213. State Department representatives of domestic news services were briefed also as to the "official importance" of Acheson's speech. Within a few weeks, however, the speech achieved the intended result and most press commentary and speculation was directed toward the problem of European reconstruction. Some commentators considered the Acheson speech an "extension" of the Truman Doctrine, whereas others considered it an "improvement" because it omitted reference to military aid and de-emphasized the ideological conflict between the United States and the Soviet Union. Jones, pp. 232-233. See also Daniel S. Cheever and H. Field Haviland, Jr., American Foreign Policy and the Separation of Powers (Cambridge: Harvard University Press, 1952), pp. 108-109.

of all European states in the recovery program, including the Soviet Union and its satellites, its ultimate purpose was to create the economic conditions necessary for the maintenance of stable center and left-of-center governments in Europe. The Economic Commission for Europe, an agency of the United Nations, was viewed as the most appropriate organ for handling the reconstruction program.¹⁴

Under Secretary Clayton returned to Washington on May 19 from six weeks in Europe. In a short memorandum to the Secretary, he graphically presented the alarming conditions he had observed there, emphasizing that the destruction of the European economy by the war and the steady deterioration thereafter had been grossly underestimated.

. . . Without further prompt and substantial aid from the United States, economic, social, and political disintegration would overwhelm Europe, with awful implications for the future peace and security of the world and immediate, disastrous effects upon our domestic economy

Clayton believed that the resources of the United States were ample to meet Europe's needs. He suggested that it was only a matter of organizing our fiscal policy and consumption in order to make available surpluses out of our production. These should be financed through taxation rather than by adding to the national debt, he thought. Clayton envisioned the necessity of United States assistance in the vicinity of \$21 billion over a period of at least three years. This should be an outright grant. The grant would be predicated upon a plan developed by the European nations themselves and looking toward ultimate European

¹⁴Jones, pp. 243-244.

economic integration.¹⁵

In developing their recommendations to the Secretary, Kennan and the Policy Planning Staff utilized the SWNCC studies, Kennan's own analysis of Soviet conduct, Under Secretary Clayton's memorandum as well as that of his staff, and the knowledge of experts such as Charles E. "Chip" Bohlen, departmental Counselor.¹⁶ The ideas of columnist Walter Lippmann contributed significantly to Kennan's thinking.¹⁷ Presented to Secretary Marshall on May 23, the PPS memorandum then was circulated among the Secretary's top assistants.¹⁸ In a series of conferences within the department, most of the PPS recommendations were adopted. Certain provisions of the memorandum were incorporated almost literally into Secretary Marshall's speech at Harvard University on June 5, in which he enunciated the basic principles of the "Marshall Plan".

The Policy Planning Staff viewed the European crisis as resulting largely from the disruptive effects of the war on its economic,

¹⁵Ibid., pp. 247-249.

¹⁶Ibid., p. 241; Goldman, p. 71.

¹⁷Jones, pp. 226-232. Jones, serving at the time in the Public Affairs Office of the State Department, writes that Lippmann suggested in an article on May 1 that the United States ask European countries to join in drawing up a common recovery program and present this country with a "consolidated deficit". So far as Jones knew, this was an "original idea" and, in general, this is what the Europeans eventually did. Jones also states that by mid-May, 1947, it was apparent that the "public" expected the United States to aid in Europe's reconstruction. There was "no question" to Jones that the Marshall proposal ". . . was to an important degree the consequence of public pressure built up and suggestions advanced, . . ., in an interplay of ideas between the nation's leaders and the public . . ." Many of the nation's leading newspapers and journals increasingly expressed concern about the "larger picture" of European reconstruction in the weeks after the announcement of the Truman Doctrine.

¹⁸Acheson, Clayton, Bohlen, and Benjamin V. Cohen. Price, p. 24.

political, and social structure and ". . . from a profound exhaustion of physical plant and of spiritual vigor" It was agreed that the situation was being exploited by Communists and that "further communist successes would create serious danger to American security" The "root of the present difficulties", however, did not lie in Communist activities. The PPS stressed that American aid to Europe should not be directed toward combatting Communism but toward correcting ". . . the economic maladjustment which makes European society vulnerable to exploitation by any and all totalitarian movements" Great emphasis was placed on the necessity for making abundantly clear that the United States would be helping Europe to help itself. Explicitly, the PPS stated that the formal initiative for the aid program must come from Europe itself. Likewise, the program must evolve in Europe and Europeans must bear the basic responsibility for it. ". . . . The role of this country should consist of friendly aid in the drafting of a European program and of the later support of such a program." The European countries should seek American support jointly, not in a ". . . series of isolated and individual appeals." The program, finally, "must give reasonable assurance that if we support it, this will be the last such program we shall be asked to support in the foreseeable future." Kennan and the PPS urged that efforts be made to correct what they considered the principal public misconceptions about the Truman Doctrine. One such misconception was that the United States merely was reacting to Communist pressures and was interested primarily in stopping Communism and only secondarily in restoring sound world economic conditions. It

should be made clear, they emphasized, that the Truman Doctrine was not a "blank check" to any country where Communists "show signs of being successful."¹⁹

Both Acheson and Kennan advised Secretary Marshall that the offer of American assistance should be extended to all of Europe, including the Soviet Union. Acheson did not want the United States to be accused of dividing Europe. Kennan felt that if Russia agreed to participate, she could make a substantial contribution to the success of the program. If she refused to participate, it then would appear that Russia was opposed to a revival of Europe's economy. It was agreed that the Soviets probably would reject the offer, since if they agreed to cooperate it would be necessary to disclose the economic and financial condition of the Soviet Union.²⁰ Traditionally, at least, the Soviets had been reluctant to reveal freely any such information.

These activities, guided by the State Department, had been proceeding with the full approval of President Truman who, within the span of a few weeks in early 1947, had become convinced of the failure of the piecemeal approach to reconstruction of the European economy.²¹ The next step for the State Department, after reaching general agreement on the PPS recommendations, was the problem of the timing and character

¹⁹Price, pp. 22-23; Jones, pp. 249-250; Goldman, pp. 71-74.

²⁰Price, p. 24; Jones, pp. 252-253; Goldman, p. 74.

²¹In his budget for the 1948 fiscal year, submitted to Congress on January 10, 1947, President Truman had anticipated the need only for a "modest relief program for a few countries which are still in desperate straits" Congressional Record, XCIII, Part 1, 241.

of a public statement of America's willingness to assist in European reconstruction. Secretary Marshall felt that Congress was in an unfavorable mood to receive further aid requests, especially one of the magnitude envisioned in the European Recovery Program. Therefore, the Secretary wanted the proposal to break with "explosive force" upon the American public. The planners were in agreement in believing that a favorable response would be forthcoming from Europe. Precautions were taken to prevent premature leaks of the proposal in this country. No advance notice was given to European governments of the forthcoming United States initiative.²² Under Secretary Acheson, however, did take steps designed to facilitate and accelerate the European response, by insuring that British Foreign Secretary Bevin would be delivered a copy of the statement wherever he might be, as soon as it had been released.²³ In addition, certain Washington newsmen had been kept informed of the general tenor of Administration thinking on the subject of Europe's growing plight.²⁴

Secretary Marshall had accepted an invitation to speak at the Amherst commencement exercises on June 16.²⁵ At that time he would concentrate on the approaching crisis in Europe and extend the American offer of assistance. Because the European situation appeared to be

²²Price, pp. 24-25.

²³Jones, p. 256.

²⁴Acheson, Kennan, and Bohlen apparently considered this expedient an essential ingredient of foreign policy formulation. James Reston, of the New York Times, was a favored recipient of advance information. Jones, p. 237.

²⁵Goldman, p. 75.

deteriorating so rapidly, however, the Amherst appearance was canceled and the Secretary accepted instead an invitation to receive an honorary degree from Harvard University on June 5. Charles E. Bohlen was assigned the task of preparing Marshall's speech.²⁶ Bohlen relied primarily on the PPS and Clayton memoranda in drafting the speech, which was reviewed by Acheson and Kennan and revised only slightly by Secretary Marshall.²⁷

Secretary Marshall, in his June 5, 1947 speech at Harvard,²⁸ sought to clarify for the American people the meaning of the mass of data being presented in the news media regarding the "very serious" world situation. In his estimation, the heart of the world crisis was the breakdown of Europe. The requirements for rehabilitation of Europe's economy had been grossly underestimated: the task would require "a much longer time and effort than had been foreseen." Europe ". . . must have substantial additional help or face economic, social, and political deterioration of a very grave character." If such a situation were permitted to develop, it would not only be demoralizing to the world at large and contribute to "disturbances" arising from sheer desperation, but also the "consequences to the economy of the United States should be apparent to all."

²⁶Ibid.; Jones, p. 255. Acheson objected to the Harvard selection because he felt that the news coverage given such events was inadequate.

²⁷Jones, p. 255.

²⁸U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 73-75. References to and quotations from the Secretary's speech on the following pages are from this source unless otherwise noted.

It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.

Secretary Marshall indicated that the United States was convinced of the futility of the piecemeal approach to achieving postwar rehabilitation. Further United States assistance " . . . should provide a cure rather than a mere palliative" The "full cooperation" of the United States Government would be given to any government " . . . willing to assist in the task of recovery" No American help could be expected for those who deliberately attempted to thwart the recovery of others. Instead, they could expect the opposition of the United States.

Marshall then informed the European countries that the next step in their rehabilitation depended on them. The United States had taken the first step by signifying its willingness to assist them in achieving economic recovery. However, they must agree among themselves as to the requirements of the situation as well as to the steps they would take in order to give effect to "whatever action might be undertaken by this Government."

It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of Europeans. The initiative . . . must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of 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, European nations.

As he had done previously and would do again, Secretary Marshall closed by imploring the American people to "face up to the vast responsibilities which history has clearly placed upon our country"

Europe's Reaction: The Committee of European
Economic Cooperation

Secretary Marshall's address almost immediately set in motion activities which were to occupy the energies of scores of persons on both sides of the Atlantic for the ensuing year.

Marshall further clarified his Harvard address on June 12, explaining that his proposal was directed to all of Europe west of Asia, including the Soviet Union and the United Kingdom.²⁹ British Foreign Secretary Ernest Bevin and French Foreign Minister Georges Bidault reacted almost simultaneously in acclaiming the Marshall statement as a positive attempt to create a "healthy world." They began discussions on June 13 relative to a European reply to the Marshall proposal. Both recognized the desirability of participation in this effort by the Russians.³⁰ Thus, an invitation was extended to the Soviet Union and, on June 27, Soviet Foreign Minister Molotov joined his colleagues in Paris.³¹ The Soviet press, however, attacked the Marshall proposal on

²⁹U. S., Department of State, Committee of European Economic Cooperation, General Report, I, Publication 2930, European Series 28 (Washington: U. S. Government Printing Office, 1947), p. 9. Cited hereafter as CEEC: General Report.

³⁰U. S. Senate, The European Recovery Program: Basic Documents and Background Information, p. 3.

³¹CEEC: General Report, p. 9.

the ground it would lead to unwarranted foreign intervention in the internal affairs of states. It was also suggested, with little subtlety, that the underlying purpose of the proposal was to secure external markets for American goods in order to avert an "approaching crisis" in America's capitalistic economy.³²

Attempts to include Soviet Russia in the Marshall Plan discussions were futile. Bevin and Bidault immediately proposed the creation of a steering committee to coordinate the work of subcommittees charged with surveying European resources and developing the outlines of a European recovery program.³³ Molotov offered objections to this proposal on several grounds. He objected that a "special organization" to assess European needs and resources would constitute interference in the internal affairs of European states ". . . down to determining the line of development to be followed by the main branches of industry in these countries" He charged that Britain and France were laying the groundwork for a "predominant position" in the proposed organization. Nothing would remain of the economic or political sovereignty of European states should such an organization come into being. Molotov charged that under the proposal the "decisive hold" on the economic life of Europe would belong to the United States. The internal efforts of individual countries should be given a "decisive importance" in any reconstruction effort. Molotov vehemently objected to the contemplated use of German resources in the recovery program

³²U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 3, 151-154.

³³Ibid., p. 4.

at the expense of those countries "which had made the greatest sacrifices during the war" The Anglo-French plan, if implemented, could only lead to the division of Europe into "two groups of States and creating new difficulties in the relations between them." Molotov felt it "necessary to caution" Britain and France "against the consequences of such action" A Soviet counterproposal, rejected by the British and French, would have the European nations draw up a list of their requirements from the United States, determine the possibilities of getting such aid, and then facilitate its distribution.³⁴

On July 2, the Soviet Union withdrew from the discussions. The next day Bevin and Bidault issued invitations to twenty-two European governments to meet in Paris on July 12 to consider a European recovery plan. Sixteen nations accepted: Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, and the United Kingdom. Refusing to attend were the Soviet Union and the governments of Eastern Europe dominated or decisively influenced by the Soviets: Finland, Poland, Hungary, Rumania, Bulgaria, Yugoslavia, and Czechoslovakia. Poland, on June 24, had indicated its intention to participate in the Paris discussions, only to withdraw its acceptance later. Czechoslovakian Premier Klement Gottwalk and Foreign Secretary Jan Masaryk journeyed to Moscow to be told to reconsider their acceptance of the in-

³⁴Bevin reacted militantly in denying Molotov's allegations. He expressed "regret" that "Mr. Molotov has threatened that if we continue this beneficent work we must face grave consequences." He bluntly informed the Russian that such threats did not constitute ". . . the sort of prospect which will deter us from doing our duty." Bidault was equally forceful in his rejoinder. *Ibid.*, pp. 155-161.

vation. This was sufficient policy guidance for the subservient Eastern European governments.³⁵

At Paris, the sixteen nations in a four-day conference created the Committee for European Economic Cooperation (CEEC), a general committee to oversee the functioning of four technical committees on food and agriculture, iron and steel, transport, and fuel and power. Later, additional committees on timber, manpower, balance of payments, trade and customs union, and financial obstacles to intra-European trade were added. Basically, the objective of the CEEC was to analyze the economic resources and capabilities of the sixteen countries and Western Germany, develop the outlines of a European recovery program, and agree on what each country required in the form of external assistance and what each could do for itself. A deadline of September 1 was set for submission of a proposed program for the years 1948-1951 to the United States Government. Most of the information had been collected by early August.³⁶ Providing assistance to the CEEC and its committees in drafting its report were Under Secretary of State Clayton, Henry Labouisse, and Colonel C. H. Bonesteel III, of the Department of State.³⁷

The CEEC report was signed by representatives of the sixteen nations on September 22, 1947 and transmitted to President Truman on September 24 by Secretary Marshall. In the report, the economic and financial problems confronting the sixteen nations and Western Germany were defined. Reviewed were (1) the production targets set for them-

³⁵Ibid., pp. 4-5; CEEC: General Report, p. 9.

³⁶CEEC: General Report, p. 10.

³⁷Price, pp. 36-37.

selves; (2) the steps being taken and to be taken to achieve internal stabilization; (3) the measures to be taken by the participating countries through combined or coordinated action to solve production problems, provide for the free and efficient flow of goods and labor, and insure the full utilization of their resources; and (4) the problem presented by the balance of payments deficit of the participating countries with the American continent.³⁸

Explicit recognition was given in the report to the interrelationship of the economies of the participating countries and "that the prosperity of each of them depends upon the restoration of the prosperity of all" Such an objective could not be attained, however, without

sustained common efforts directed specifically towards the production of scarce commodities, the full use of available resources and the achievement of internal financial and economic stability.³⁹

Pledges were made by the participating countries to use all their efforts to achieve the production targets set out in the report and to carry out "vigorously" the measures necessary to achieve internal financial stability in each country and confidence in its currency and credit. The establishment of a joint organization to review the progress of the recovery program was recognized as a necessity.⁴⁰

³⁸CEEC: General Report, p. 1.

³⁹Ibid., p. 2.

⁴⁰Ibid. On September 12, the CEEC had accepted six basic conditions on the extension of U. S. aid which were submitted by Under Secretary Clayton: (1) take immediate steps toward financial and monetary stability; (2) each country to guarantee its production program; (3) reduce trade barriers; (4) provide for World Bank financing of some of the aid requirements; (5) form a continuing organization; and (6) recognize common objectives and responsibilities. U. S. Senate, The European Recovery Program: Basic Documents and Background Information, p. 8. Clayton's action brought reminders from the Russians that this was an example of the "interference" against which they had been urging caution. Ward, p. 148.

The report was declared to be no "shopping list" of the goods which the sixteen nations and Western Germany hoped to receive from the United States. It was designed instead as an analysis of the European maladjustment and "an examination of what the participating countries can do for themselves and for each other to work towards a lasting solution." The size of the problem was illustrated by showing the expected deficit of the participating countries and Western Germany in their trading relations with the American continent and the non-participating countries during the years 1948-1951. It was neither asked nor expected, however, that the United States provide the full amount of the deficit. Part of the deficit was expected to be filled through private financing and investments, the International Bank for Reconstruction and Development, and any suitable assets still available to the participating countries.⁴¹

The recovery program formulated in the CEEC report was based upon four points:

- (i) A strong production effort by each of the participating countries, especially in agriculture, fuel and power, transport, and the modernization of equipment.
- (ii) The creation and maintenance of internal financial stability as an essential condition for securing the full use of Europe's productive and financial resources.
- (iii) The development of economic co-operation between the participating countries.
- (iv) A solution of the problem of the participating countries deficit with the American continent particularly by exports.⁴²

⁴¹CEEC: General Report, pp. 2-3.

⁴²Ibid., p. 11.

The report looked to a restoration, by 1951, of agricultural production to the pre-war level and a "significant expansion" of mining and manufacturing production beyond the 1938 levels. To achieve the production targets, the participating countries would require food, raw materials, fuel and capital equipment from overseas. It was not expected that pre-war standards of food consumption could be reached even by 1951. The CEEC report looked to 1948 as the critical year in determining the overall success of the recovery program.⁴³

To insure the success of the recovery program, the participating countries "pledge themselves to join together, and invite other European countries to join with them, in working to this end" Each country pledged " . . . to use all its efforts

- (i) to develop its production to reach the targets, especially for food and coal;
- (ii) to make the fullest and most effective use of its existing productive capacity and all available manpower;
- (iii) to modernise its equipment and transport, so that labour becomes more productive, conditions of work are improved, and standards of living of all peoples of Europe are raised;
- (iv) to apply all necessary measures leading to the rapid achievement of internal financial monetary and economic stability while maintaining in each country a high level of employment;
- (v) to co-operate with one another and with like-minded countries in all possible steps to reduce the tariffs and other barriers to the expansion of trade both between themselves and with the rest of the world, in accordance with the principles of the draft Charter for an International Trade Organization;

⁴³Ibid., p. 12.

- (vi) to remove progressively the obstacles to the free movement of persons within Europe;
- (vii) to organise together the means by which common resources can be developed in partnership.⁴⁴

During 1948-1951, it was estimated that the participating countries would require imports from all countries valued at \$57.3 billion, of which \$35.2 billion represented imports from the American continent.⁴⁵ The net trade deficit with the American continent for the four year period was estimated at \$22.4 billion (\$16 billion with the U. S.), a part of which it was assumed could be financed through the International Bank and sources other than special assistance (\$3.13 billion).⁴⁶ It was contemplated that the participating countries still would be running a trade deficit with the American continent in 1951. However, the CEEC report assumed, given favorable world conditions which would enable the participating countries to earn dollars in non-American countries, that a near balance would be achieved by the end of 1951. After 1951, it was assumed, the deficit would be of dimensions manageable without special external aid.⁴⁷

Following submission of the CEEC report to the President, it was subjected to a rigorous analysis by Government officials. The analysis was coordinated by an interdepartmental steering committee, chaired by a representative of the State Department and including representatives from Treasury, Commerce, Interior, Army, Navy, and

⁴⁴Ibid., p. 13. See also n. 40, supra.

⁴⁵Ibid., p. 42.

⁴⁶Ibid., p. 54.

⁴⁷Ibid., pp. 59-60.

other interested agencies. As technical analyses progressed, the steering committee assisted in putting together an overall picture. The National Advisory Council, chaired by the Secretary of the Treasury, was made responsible for analyzing the financial and fiscal parts of the CEEC report. The Executive Committee on Economic Foreign Policy, chaired by the Secretary of State, analyzed the broad economic policy questions raised by the report. Aspects pertaining to food were analyzed by a subcommittee of the President's Cabinet Committee on World Food Problems, chaired by the Secretary of Agriculture. Other parts of the report were assigned to working groups chaired by officials of the Department of Commerce. After completion of the analysis, the State Department conducted a series of conferences in Washington between the commodity committees established to review the CEEC report and the European technicians who had assisted in its preparation. The object of the so-called "Washington conversations", which began on October 9, was to clarify the CEEC report and to secure supplementary data.⁴⁸ Invited to participate as observers were the staffs of the Senate Foreign Relations Committee, the House Foreign Affairs Committee, and the House Select Committee on Foreign Aid.⁴⁹

After its refusal to participate in the endeavors of the CEEC, Soviet Russia further reacted to the Marshall proposal by concluding a number of trade agreements with the nations of Eastern Europe and

⁴⁸ Dept. of State, Bulletin, Vol. XVII, No. 431 (1947), 687-688.

⁴⁹ Kenneth Kofmehl, Professional Staffs of Congress (West Lafayette, Inc.: Purdue University Studies, Humanities Series, 1962), p. 258.

by encouraging the conclusion of bilateral pacts between members of the Soviet bloc. Severally, these trade and barter arrangements constituted the "Molotov Plan", or the Soviet answer to the Marshall Plan.⁵⁰ In effect, these arrangements increased Russian control over the economies of the nations of Eastern Europe. Trade which had flowed previously to Western Europe was directed toward the east, handicapping even further the outlook for a successful European reconstruction effort. The final wedge between East and West was driven, apparently, in October, with the announcement of the formation of the Communist Information Bureau (Cominform), with its headquarters to be located in Belgrade, Yugoslavia. Representing the Communist parties of the Soviet Union, Yugoslavia, France, Italy, Poland, Bulgaria, Czechoslovakia, Hungary, and Rumania, the Cominform charged that the Marshall Plan was the instrument of the United States for achieving world domination. It called on Communists everywhere to do their utmost to "wreck" the Marshall Plan.⁵¹

Exploration of American Capabilities To Finance

European Reconstruction

While the CEEC endeavored to collect the data upon which to formulate an economic recovery program, the Truman Administration set

⁵⁰U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 5-6. Such a plan had been under way since the end of the war. The attractions of U. S. aid under the Marshall Plan, however, confronted the Soviets with the necessity of intensifying the process of creating a buffer zone of small states dependent upon the powerful Soviet Union for both political and economic sustenance.

⁵¹Ibid., pp. 6, 48.

about determining how extensive a program could be supported by the United States without endangering its own economy. At the same time, Congress proceeded to determine for itself the extent of the European crisis and the ability of the United States to respond, if the facts so warranted. There were elements of cooperation, as well as rivalry, between the two branches as interest mounted in regard to the course to be followed by the United States. In the end, perhaps no policy ever adopted by the United States, either previously or subsequently, received the attention, study, and deliberation given to the Marshall Plan.

After conferring with Senator Vandenberg⁵² and other members of the Senate, President Truman, on June 22, announced the creation of three committees to study the limits and capabilities of the United States to provide assistance to a European recovery program and the impact such assistance would have on the domestic economy. One committee, composed of Government specialists, was placed under the chairmanship of Julius A. Krug, Secretary of the Interior. It was directed to survey the nation's resources with a view toward determining the ability of the United States to support the proposed recovery program. The second committee was the President's Council of Economic Advisers, consisting of Dr. Edwin G. Nourse, chairman; Leon Keyserling and John D. Clark, members. Its assignment was to study the impact on the domestic economy of the proposed foreign aid program. The third com-

⁵²Arthur H. Vandenberg, Jr. (ed., with the collaboration of Joe Alex Morris), The Private Papers of Senator Vandenberg (Boston: Houghton Mifflin Co., 1952), pp. 376-377.

mittee was a nineteen-member nonpartisan advisory group known as the President's Committee on Foreign Aid, which consisted of business, labor, financial, agricultural, and academic leaders under the chairmanship of Secretary of Commerce Harriman. It was charged with studying the broad aspects of the aid program, i.e., the principles and policies which should guide the operation of the aid program, the needs and capacities of the European countries, the volume of assistance required, its relation to the domestic economy, and problems of finance and administration. In general, the Krug and Nourse committees were to supply the Harriman Committee the data necessary for it to carry out its responsibilities.⁵³ Reports were submitted to the President by the Krug Committee on October 7; the Council of Economic Advisers on October 28; and the Harriman Committee on November 6. As

⁵³Dept. of State, Bulletin, Vol. XVI, No. 417 (1947), 1297, 1315; U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 3-4; House Subcommittee on Appropriations, Hearings on the Supplemental Appropriation Bill for 1948, pp. 976-977. Members of the Harriman Committee were: Hiland Batcheller, president, Allegheny-Ludlum Steel Corp.; Robert E. Buchanan, dean, Graduate College, Iowa State College; W. Randolph Burgess, vice chairman, National City Bank of New York; James B. Carey, secretary-treasurer, Congress of Industrial Organizations; Granville Conway, president, Cosmopolitan Shipping Co., Inc.; Melville F. Coolbaugh, Golden, Colo.; Chester C. Davis, president, Federal Reserve Bank, St. Louis, Mo.; R. R. Deupree, president, Procter and Gamble Co.; Paul G. Hoffman, president, Studebaker Corp.; Calvin B. Hoover, dean, Graduate School, Duke University; Robert Koenig, president, Ayrshire Collieries Co.; Edward S. Mason, dean, School of Public Administration, Harvard University; George Meany, secretary-treasurer, American Federation of Labor; Harold G. Moulton, president, Brookings Institution; William I. Myers, dean, College of Agriculture, Cornell University; Robert G. Sproul, president, University of California, Berkeley; Owen D. Young, Van Hornesville, N. Y.; Robert M. LaFollette, Jr., Washington, D. C.; and John L. Collyer, president, B. F. Goodrich Co. The President's Committee on Foreign Aid, European Recovery and American Aid (Washington: U. S. Government Printing Office, 1947), pp. iv, v, vii, 3. Cited hereafter as European Recovery and American Aid. In 1952, Mr. Harriman stated that the

their studies had progressed, they were supplied advance data from the CEEC study being pursued in Europe.⁵⁴

Simultaneously with the work of the three special committees, the State Department proceeded to convert the broad concepts of the Marshall Plan into a legislative program. An interdepartmental "Advisory Steering Committee", under the chairmanship of Under Secretary of State Robert A. Lovett (appointed to succeed Acheson, who resigned on June 30), was created to prepare the necessary legislation. An interdepartmental "Correlation Committee", chaired by the State Department's Col. C. H. Bonesteel III, reported directly to Lovett's committee. An "Executive Committee on Economic Foreign Policy" studied the relation of the aid program to the United Nations. Also assisting in the planning was a departmental "Committee for European Recovery". At times, as many as 350 State Department employees worked from half to full time in developing the Marshall Plan program. Leading State Department participants in these activities, in addition to Under Secretary Lovett, included Willard Thorp, C. Tyler Wood, Paul Nitze (who, according to one source, provided much of the "intellectual and organizing drive"), Lincoln Gordon, Colonel Bonesteel, Charles Kindleberger, and Ernest Gross. Lewis Douglas, Ambassador to Great

initiative in setting up the Harriman Committee was actually taken by Dean Acheson, although ". . . Marshall had a hand in it" Interview with Harry Bayard Price, October 1, 1952. See Price, p. 42. William C. Foster, then Under Secretary of Commerce, took a leading role in nominating the members of the committee. Senator Vandenberg was consulted closely in the committee's work. Ibid.

⁵⁴European Recovery and American Aid, p. viii; Dept. of State, Bulletin, Vol. XVII, No. 431 (1947), 688.

Britain, was extremely effective in Congressional liaison activities. High-level personnel in other executive departments cooperated extensively with these members of the State Department. Support was given by this group to the Krug, Nourse, and Harriman committees. In fact, the substance of the Harriman Committee's report was supplied by the group under Lovett. Additionally, the group established a temporary unit for handling initial planning and shipments which went into operation immediately after final approval of European recovery legislation.⁵⁵

The Krug report on the impact of foreign aid on the natural resources of the United States, submitted to the President on October 7, was the product of a Government-wide effort. Experts and technicians were made available from the Departments of Agriculture, Commerce, Interior, Labor, State, and War; the Board of Governors of the Federal Reserve System; the Export-Import Bank; the Federal Trade Commission; the Federal Power Commission; the Interstate Commerce Commission; the Maritime Commission; the National Housing Agency; the Office of Defense Transportation; the Tennessee Valley Authority; the U. S. Tariff Commission; and the Executive Office of the President. As many as 300 people worked on the report at various stages of its preparation. From representatives of these agencies, a liaison committee was created to guide and oversee the preparation of basic commodity studies by commodity committees composed of experts in the various agencies. The

⁵⁵Price, pp. 46-47; Graham H. Stuart, The Department of State: A History of Its Organization, Procedure and Personnel (N. Y.: The Macmillan Co., 1949), p. 458; Cheever and Haviland, pp. 113-114.

report itself was drafted by a small editorial committee.⁵⁶

The Krug report did not concern itself with either the fiscal or administrative aspects of foreign aid. In essence, it concluded that the United States possessed the natural resources to undertake the proposed European aid program. Although exports constituted a relatively small part of our total economic output, foreign aid demands "would aggravate in some measure the strains on our economy at its highest peacetime level" Even though the United States is wealthy in natural resources, it " . . . cannot long underwrite the material deficits of other nations without serious impact on its economy and its resources" However, the foreign aid program looked to the revival of world production and trade and the intelligent and balanced use of world resources. This was " . . . essential to our own continued well-being and security" A large foreign aid program would intensify certain shortages resulting from current high levels of consumption. The most immediate problems of supply and consequent economic repercussions would be presented in regard to wheat, steel, coal, nitrogen fertilizers, and certain items of industrial equipment. However, "sound administration" of the foreign aid program would reduce most of these supply impacts. It would also be essential to organize foreign aid purchase procedures so as to create a minimum impact on the domestic economy and assure proper channeling of commodities in short supply to their most effective uses in achieving

⁵⁶U. S., Senate, Committee on Foreign Relations, Hearings on Interim Aid to Europe, 80th Cong., 1st Sess., 1947, pp. 178-179. Cited hereafter as Senate Committee on Foreign Relations, Hearings on Interim Aid to Europe.

European reconstruction. It would be necessary to make cooperative arrangements with countries receiving assistance in order to insure that foreign aid purchases did not compete with one another and thus aggravate the domestic economy. Finally, cooperation between government and industry would be necessary in order to break domestic production and supply bottlenecks and to assure proper channeling of exports.⁵⁷

The report of the Council of Economic Advisers was centered upon the effect of exports, financed in part with Government funds, on domestic production, consumption, and prices. It pointed out that past aid programs had not prevented Americans from enjoying a living standard much higher than any pre-war level, because of the vast increase in productive capacity during and since the war. Although past aid programs had contributed to inflationary pressures on prices, the C. E. A. asserted that the current inflation had been caused primarily by domestic factors. Unless some kind of foreign aid program were continued, the United States could look to a "rapid reduction in exports" which would cause substantial readjustment problems although probably no "serious short-run damage" to the economy. However, we could expect industrial paralysis in some countries and ". . . repercussions of major proportions upon our own economy and upon world stability." Using aid figures cited in the CEEC report, the C. E. A. estimated that the export surplus of the United States actually would not be as large under the proposed Marshall Plan as it had been, especially

⁵⁷Ibid., pp. 179-180; U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 89-96.

during the second quarter of 1947. Thus it was logical to conclude that the burden of the proposed recovery program could be assumed "because a larger impact has already been sustained" If this optimistic picture were not to be overturned, however, problems raised by specific commodities in short supply would have to be dealt with effectively. These items were food, steel, industrial and agricultural machinery, coal, and fertilizers. Regarding the financing of the proposed new foreign aid program, the C. E. A. recommended that it be financed as had past aid programs, i.e., through taxation rather than through increasing the national debt. The C. E. A. saw no need for any new taxes either to finance the program or to reduce inflationary pressures, since the program's impact would be less than that of recent programs. The long-range implications of the contemplated foreign aid program were viewed as being extremely beneficial to the domestic economy. To prevent serious inflationary consequences to the domestic economy resulting from possible mismanagement of the administration of foreign aid, the C. E. A. recommended, in regard to the specific commodities in relatively short supply, the use of export controls, allocations for domestic use, discouragement of misuse or excessive use, efficient transportation and distribution, and the curbing of speculation and hoarding of goods. To combat the threat of inflation, the Council recommended the continuance of taxes at present rates, stimulation of saving, and control of "dangerous" expansions of credit.⁵⁸

The recommendations of the Harriman Committee perhaps were most

⁵⁸U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 97-101.

significant to the ultimate success of the proposed Marshall Plan, coming as they did from a membership reflecting leaders in several aspects of the national life. Both the Krug and Nourse reports reflected the conclusions of public servants. While it was true that much of the data supplied the Harriman Committee came from governmental sources, the Committee's conclusions concerning whether or not the United States "could safely and wisely extend aid to western Europe" were its own.⁵⁹ The committee emphasized that Europe's salvation "lies very much in its own hands" United States aid could only serve as a "spark" to start the European "engine". While the United States had much at stake in European recovery, it should be recognized that this country is no "limitless cornucopia". Substantial burdens would be placed on American citizens by the aid program and the shipment of scarce goods abroad would add to inflationary pressures. The committee advised that American aid should be conditioned upon the participating countries' taking "all practicable steps to achieve

⁵⁹Harriman, in 1952, stated that disagreements in the committee, while not too serious, largely concerned what the American economy could afford. Price, p. 42. Price states that there were "vigorous" debates on a number of issues. At the beginning there was disagreement as to whether the Marshall program should be essentially a charity program or a cooperative effort to effect economic recovery. *Ibid.* One observer wrote that the committee's deliberations were an "almost comic rebuttal" of the Soviet-Communist criticisms of the Marshall Plan, pointing out that the "chief support" for the program came from Harriman and the non-business members. The business members were fearful, according to this source, that the contemplated program would create serious dangers to the American economy. They were adamant on the point that the United States could not meet European requests for crude steel or scrap without endangering domestic production. Ward, p. 171. Paul G. Hoffman, a member of the committee and first Administrator of the European recovery program, gave a large share of the credit for the committee's report to Richard M. Bissell, Jr., its Executive Secretary. Interview with Price, January 28, 1953, cited in Price, p. 46.

the production and monetary goals" set out in the CEEC report. The methods or forms of economic organization used to achieve these goals should be of no concern to the United States, ". . . so long as they are consistent with basic democratic principles" The CEEC report was praised for recognizing ". . . that European production can expand only as currencies and exchange rates are stabilized, as budgets are balanced, and as trade barriers are reduced" The committee was critical of the CEEC report in that it believed that European plans for expansion of capital equipment, if carried through, would increase inflationary pressures. The size of a "prudent" aid program would be determined, ultimately, by the availability of commodities within the United States. Many European requirements could not be met in full, e.g., steel and steel-making materials, coal (transportation difficulties), petroleum, farm and mining machinery, and heavy electrical equipment. The committee estimated that the proposed aid program would cost the United States Government approximately \$5.75 billion in 1948 and between \$12 billion and \$17 billion overall. It revised downward the CEEC import figures because of the unavailability of goods. Likewise, export figures were revised downward. Thus, its figure for the overall cost of the program was approximately \$5 billion lower than that of the CEEC. The committee emphasized that aid should be extended on a yearly basis and ". . . must be subject to constant, vigilant review of the Congress." The committee recommended that the aid program be financed through taxation, not by borrowing. Means to insure the availability of goods in short supply would have to be developed, although voluntary methods should

be used wherever possible. To insure "unity of administration" of the program, the committee recommended the creation of an independent agency, its head to be appointed by the President and confirmed by the Senate. The head of this agency would be the chairman of a board of directors, composed of the Secretary of State and persons representing other departments concerned with the program. The board should be empowered only to establish and adjust general policies within lines set by Congress, whereas operating decisions should be made by the head of the agency, who should be required to cooperate with the Secretary of State. The committee suggested that Congress create a special joint committee to maintain the "closest possible relations" with the proposed agency. To deal with the continuing committee of the participating countries and to coordinate the activities of representatives of the agency in individual countries, it was recommended that a "chief representative" of the agency be provided for Europe. Representatives of the agency in individual countries would be responsible to the head of the agency but they should keep the United States ambassadors to those countries informed of their communications. To insure that there would be only one diplomatic representative in these countries, only the Ambassador would be authorized to take up "important matters" with governments.⁶⁰

Congressional Reaction

Congressional hearings and debates on the Truman Doctrine had focused the thinking of most members on the subject of foreign aid. The deteriorating situation in Europe became a topic of wide discussion in

⁶⁰European Recovery and American Aid, pp. 3-12.

the news media even before enactment of the Greek-Turkish aid program. The relationship of the United States to the developing crisis naturally found its way into the deliberations on this program, for the Truman Doctrine was sufficiently ambiguous to make its provisions applicable apparently to all of Europe (or to the world). Activities within the Government concerning European reconstruction went unobserved by neither the news media nor by Congress. These activities were welcomed by some, but brought visions of tragedy to others.

While the Greek-Turkish aid bill was under consideration, a resolution was introduced in the House to create a Select Committee on Foreign Aid for the purpose of studying in depth the actual and long-range requirements of foreign countries for outside economic assistance; the resources available to meet these requirements, in the United States and elsewhere; the agencies which are or might be available to assist in meeting these needs; the controls required to maintain prices of commodities in short supply at reasonable levels; and measures which might assist in correlating any United States assistance without weakening its domestic economy.⁶¹ A subcommittee of the House Foreign Affairs Committee issued a report in June in which it predicted an emergency in Europe.⁶² On July 22, the House adopted H. Res. 296, introduced

⁶¹H. Res. 173. Congressional Record, XCIII, Part 3, 3890.

⁶²Holbert N. Carroll, The House of Representatives and Foreign Affairs (Pittsburgh: University of Pittsburgh Press, 1958), p. 116. In 1945, the House Special Committee on Postwar Economic Policy and Planning (Colmer Committee), although concentrating on the domestic economy, emphasized the importance of German recovery to general European economic recovery and predicted that the U. S. would have "to act more positively to encourage that recovery" Ibid., p. 212.

by Representative Christian A. Herter (R., Mass.), authorizing the creation of a Select Committee on Foreign Aid to make a broad study of the problems of European reconstruction.⁶³ On July 29, a nineteen-member committee was appointed. Its members were selected from the major standing committees of the House which would be concerned with various aspects of the foreign aid problem. Representative Eaton, chairman of the Foreign Affairs Committee, was named the Select Committee's chairman, although Representative Herter, vice chairman and "executive director", was its driving force. Ultimately, the committee became known as the Herter Committee. Professor W. Y. Elliott, of Harvard University and the Legislative Reference Service of the Library of Congress, headed an impressive staff of some fifty persons. Earlier, Professor Elliott had been selected as director of the professional staff of the House Foreign Affairs Committee.⁶⁴

The Herter Committee was divided into subcommittees on Great Britain; Austria and Germany; France, Belgium, Holland, and Luxembourg; Italy, Greece, and Trieste; and a subcommittee on Agriculture (covering most of Europe). The committee left for Europe on August 28 and returned on October 10. Summaries of the data accumulated and principles to form the basis of a report began appearing in the press

⁶³Congressional Record, XCIII, Part 15, D417.

⁶⁴House Select Committee on Foreign Aid, Final Report on Foreign Aid, pp. II, 1-3. Republicans on the committee included: Thomas A. Jenkins, Ohio; Charles A. Wolverton, N. J.; August H. Andresen, Minn.; Francis Case, S. D.; John C. Kunkel, Pa.; John M. Vorys, Ohio; Charles W. Vursell, Ill.; W. Kingsland Macy, N. Y.; Richard M. Nixon, Calif. Democrats were: E. E. Cox, Ga.; James P. Richards, S. C.; Francis E. Walter, Pa.; Harold D. Cooley, N. C.; George H. Mahon, Tex.; Overton Brooks, La.; Eugene J. Keogh, N. Y.; A. S. Mike Monroney, Okla.

on November 7. Although its final report was not issued until May, 1948, the committee issued preliminary reports from time to time. Reports one through eight had been issued by November 22--in time to be of assistance to Congress in considering emergency interim aid for Italy, France, and Austria.⁶⁵

Meanwhile, conditions in Europe were being viewed firsthand by other members of Congress. In addition to the Herter Committee, subcommittees of the House Foreign Affairs Committee, Chairman John Taber and a subcommittee of the House Appropriations Committee, the Senate Armed Services and Appropriations Committees, and various other groups visited Europe during the summer and fall of 1947.⁶⁶

The Herter Committee assembled an impressive and comprehensive collection of data on the economic and political situation in Europe. Its reports and recommendations were credited with being an important factor in eventual acceptance of the massive European reconstruction program.⁶⁷ Its staff was quite active also in promoting cooperation among some of the agencies participating in the various aspects of planning for the recovery program. Meetings were held with the staffs of the Senate Foreign Relations Committee and the Krug, Nourse, and Harriman Committees. For several months, these groups held weekly luncheon-conferences, where information was exchanged and each was kept

⁶⁵Ibid., pp. 1-3.

⁶⁶U. S. Senate, The European Recovery Program: Basic Documents and Background Information, p. 9; Congressional Quarterly, Vol. III, No. 3 (July-Sept., 1947), xvii-xviii.

⁶⁷Paul G. Hoffman, in an interview with Harry Bayard Price, cited in Price, p. 55.

apprised of the progress of the others.⁶⁸ During the early stages of the planning of the recovery program, there was also at times collaboration between the staffs of the Senate Foreign Relations Committee, under the direction of Dr. Francis O. Wilcox, and the House Foreign Affairs Committee.⁶⁹ The initiative taken by the staff of the Herter Committee created some resentment, both in the Executive branch and in the House. The Foreign Affairs Committee, envious of the publicity received by the Select Committee, reportedly paid little attention to the latter's studies. A foreign aid bill introduced by Representative Herter also reportedly was ignored by Chairman Eaton and the Foreign Affairs Committee. Critics of the Herter Committee felt that its staff was over-zealous, i.e., it performed like a "rival bureaucracy" rather than as a "skeptical collaborator" in working out a foreign aid program. Some members of the Foreign Affairs Committee felt that the loyalty of that committee's staff had been compromised through its serving the Herter Committee.⁷⁰

⁶⁸Kofmehl, pp. 155-156.

⁶⁹Carroll, pp. 101-102.

⁷⁰Ibid., pp. 106, 217-218. The House Republican leadership had felt that the Foreign Affairs Committee was inadequate to perform the role of the House in a broad study of the foreign aid problem. Ibid., p. 215. This was bound to create resentment, and did. Also, in creating the Select Committee, the House Republican leaders may have been expressing a desire on the part of the House to assert its equality with the Senate and the Executive in making foreign policy. Since the Constitution requires that revenue measures be initiated in the House, and since this has been interpreted to include appropriation measures as well, the use of foreign aid as a tool of foreign policy presented the House with a golden opportunity to enhance its prestige. The relative inferiority of the House Foreign Affairs Committee in relation to other House committees, as opposed to the exalted status of the Senate Foreign Relations Committee in relation to the other Senate committees, usually meant extra effort for the Administration in securing

Although it made no recommendation as to the amount of aid required, the Herter Committee agreed that the situation in Europe was more than a temporary emergency. A long-range program of assistance, based upon American support, would be necessary to solve Europe's problem. The Herter group recommended that a corporate authority be created to administer any new foreign aid program. Congress would maintain control through a regular review of the authority's funds and operations. The authority would have a bipartisan board of directors appointed by the President and confirmed by the Senate. Its programs and policies would be coordinated through a Foreign Aid Council presided over by the Secretary of State and including top officials of Government agencies concerned with foreign aid matters. The proposed authority would be capitalized in an amount to be determined after a more careful study of commodities in short supply in the United States and the world. As contemplated by the Herter Committee, the authority would be concerned only with requests for assistance in the form of foodstuffs, fuel, and fertilizers. Remaining "genuine requirements for foreign aid in capital goods, equipment, and raw materials . . ." could be met through the International Bank for Reconstruction and Development

House approval of foreign policies requiring Congressional consent. Ordinarily, the position of the Senate Foreign Relations Committee became the position of the entire Senate. This could not be said of the Foreign Affairs Committee. It seldom spoke with the unanimity of its Senate counterpart and it constantly was confronted with the possibility of repudiation by a parent body traditionally much more parochial and divisive than the urbane Senate. Ibid., pp. 8, 33-37, 40-48, 91-93, 143-147, 255-256, 267, 284-285, 289, 325, 328-329; Malcolm E. Jewell, Senatorial Politics and Foreign Policy (Lexington: University of Kentucky Press, 1962), pp. 110, 128, 134-135, 137; David N. Farnsworth, The Senate Committee on Foreign Relations (Urbana: University of Illinois Press, 1961), pp. 7-8, 158.

and the Export-Import Bank. It was recommended that the latter be given additional resources to carry out these functions.⁷¹

The Public Response

Even before Secretary Marshall's Harvard address, the news media had been giving the deteriorating European situation wide-spread dissemination. Speculation was rife as to the next move by the United States Government. Pronouncement of the Truman Doctrine and approval of Greek-Turkish aid had contributed to an atmosphere conducive to the acceptance of a larger aid program, although this was by no means a certainty. Beginning with Under Secretary Acheson's Cleveland, Mississippi address on May 8, Administration spokesmen, in selected forums throughout the nation, increasingly reiterated the theme of America's responsibility for helping to create--and its stake in the maintenance of--stable world economic conditions.⁷²

⁷¹U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 132-135.

⁷²President Truman spoke frequently, as did Secretary Marshall. Other State Department officials utilized in this public relations campaign included Under Secretaries Acheson, Clayton, and Lovett; George C. McGhee, Benjamin V. Cohen, Willard L. Thorp, William Benton, Charles E. Saltzman, Norman Armour, John A. Loftus, Charles E. "Chip" Bohlen, Norman Burns, Winthrop G. Brown, George V. Allen, and Ernest A. Gross. See Dept. of State, Bulletin, Vol. XVI, No. 415 (1947), 1159-1160; Ibid., Vol. XVI, No. 416 (1947), 1193-1197, 1221-1224, 1230-1240; Ibid., Vol. XVI, No. 417 (1947), 1294-1297; Ibid., Vol. XVII, No. 419 (1947), 80-84; Ibid., Vol. XVII, No. 421 (1947), 184-185; Ibid., Vol. XVII, No. 428 (1947), 498-501, 522-526; Ibid., Vol. XVII, No. 429 (1947), 595-599; Ibid., Vol. XVII, No. 434 (1947), 826-828; Ibid., Vol. XVII, No. 435 (1947), 856-866; Ibid., Vol. XVII, No. 436 (1947), 903-908; Ibid., Vol. XVII, No. 439 (1947), 1024-1028; Ibid., Vol. XVII, No. 441 (1947), 1186-1187; Ibid., Vol. XVIII, No. 446 (1948), 78-82; Ibid., Vol. XVIII, No. 447 (1948), 108-111; Ibid., Vol. XVIII, No. 451 (1948), 231-232; Ibid., Vol. XVIII, No. 452 (1948), 278; Ibid., Vol. XVIII, No. 454 (1948), 349; Ibid., Vol. XVIII, No. 455 (1948), 374-375; Ibid., Vol. XVIII, No. 456 (1948), 401; Ibid., Vol. XVIII, No. 458 (1948), 476-478; Ibid., Vol. XVIII, No. 461 (1948), 564-567, 585.

By mid-July, an American Institute of Public Opinion poll indicated that only 49 percent of the respondents had heard of the Marshall Plan for aiding Europe. A majority of this group (57%) approved, however, even when told the plan might cost the United States around \$5 billion per year. They were not willing to assume new tax burdens for this purpose, however. An overwhelming 82 percent thought the plan should not be stopped because of Russia's refusal to cooperate.⁷³ A Roper poll, also in July, 1947, indicated that 65.5 percent of the respondents considered Soviet Russia as an "aggressive" nation.⁷⁴ By November, 1947, 61 percent of the respondents in an AIPO poll had heard of the Marshall Plan. Of those who had heard of it, 47 percent approved, only 15 percent disapproved, while 38 percent had no opinion.⁷⁵ These polls indicated to the Administration that an important segment of the public had yet to be convinced of the necessity or desirability of the United States lending massive assistance to European reconstruction.

To mobilize public support, late in 1947 a citizen's "Committee for the Marshall Plan" was organized. Serving as National Chairman was former Secretary of State and War Henry L. Stimson. Chairman of its Executive Committee was former Secretary of War Robert P. Patterson, while Mrs. Wendell L. Willkie headed a Women's Division. John H. Ferguson was made Executive Director. Included on the Executive Committee were former Under Secretary of State Dean Acheson, Winthrop W. Aldrich,

⁷³The Public Opinion Quarterly, Vol. II, No. 3 (Fall, 1947), 495.

⁷⁴Armstrong, p. 43.

⁷⁵The Public Opinion Quarterly, Vol. II, No. 4 (Winter, 1947),

Frank Altschul, James B. Carey, David Dubinsky, Allen W. Dulles, Herbert H. Lehman, Clark M. Eichelberger, William Emerson, Herbert Feis, Alger Hiss, Philip Reed, Frederick C. McKee, Arthur W. Page, Herbert Bayard Swope, and Mrs. Willkie. Over 300 prominent citizens were included in its National Council. Regional committees were organized throughout the country. The cooperation of national organizations was enlisted and wide currency given to appropriate publications. Other techniques utilized by the committee included the promotion of news and editorial coverage in metropolitan papers; a special mat service for small papers; creation of a speakers' bureau; engagement of a news agency to disseminate press releases; and national and local radio broadcasts. Appeals for funds through newspaper advertisements brought contributions from practically every state in the nation. The committee and its principal staff members registered under the Regulation of Lobbying Act. Nearly every member of Congress was the recipient of petitions circulated throughout Congressional districts and forwarded to Washington. Harold Stein, a political scientist, was in charge of the Washington office. A close contact was maintained with Executive departments and Congressional committees. This office also prepared materials for the use of witnesses before Congressional committees, issued analyses of the various legislative proposals, and directed special efforts against the inclusion of harmful restrictions and amendments in the European recovery bill.⁷⁶

⁷⁶U. S., Senate, Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, 80th Cong., 2nd Sess., 1948, Part 2, pp. 747-777. Cited hereafter as Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery.

By the time Congress had reconvened in special session in November, to consider interim aid for certain European countries, support for the Marshall Plan had been announced by the following organizations: American Legion, AMVETS, American Veterans Committee, Jewish War Veterans, American Farm Bureau Federation, National Grange, National Council of Farmer Cooperatives, American Federation of Labor, Congress of Industrial Organizations, International Association of Machinists, International Ladies Garment Workers Union, Council for Social Action of the Congregational Church, Friends Committee on National Legislation, Federal Council of Churches of Christ, Catholic Association for International Peace, Americans for Democratic Action, League of Women Voters, Women's Action Committee for Lasting Peace, YWCA, National Council of Jewish Women, General Federation of Women's Clubs, Business and Professional Women's Clubs, American Association of University Women, and the National Planning Association. Organizations which had announced their opposition to European aid included: Progressive Citizens of America, American Tariff League, Communist Party, and the Methodist Federation for Social Action.⁷⁷

The situation in Europe, meanwhile, was becoming even more critical, especially in Italy, France, and Austria. The attendant publicity gave further credence to the importunings of Administration spokesmen. Lending weight to their dire predictions were the voices of many Congressmen who had viewed the European scene in person. On September 25, President Truman proclaimed a national campaign against the

⁷⁷Congressional Quarterly, Vol. III, No. 4 (Oct.-Dec., 1947),

waste of food products affecting grain supplies. A Citizens' Food Committee, under the chairmanship of Charles Luckman, was appointed to direct a campaign of public participation. The President declared that resolution of the current economic emergency in Europe could not await the detailed studies being undertaken in relation to the long-range Marshall Plan. Again, seeking to build support for the aid program, the President, on October 27, invited one hundred leaders of industry, labor, agriculture, and the general public to confer with him at the White House.⁷⁸

Secretary of Commerce Harriman, Secretary of State Marshall, and the President issued warnings of the prospects of widespread starvation in Europe during the coming winter unless immediate aid were forthcoming from the United States.⁷⁹ In order to alleviate immediate distress in Europe, certain steps were taken by the Administration earlier in the summer of 1947. On August 14, the United States canceled war claims against Italy in the amount of \$1 billion; released \$60 million in war assets; returned to Italy twenty-eight ships seized during the war; redeemed several millions of dollars in script issued to Italian prisoners of war; reduced American claims against Italy to \$5 million; and agreed to sign a friendship pact with Italy later in the year. At a conference in London, the United States, Britain, and France agreed to restore German production to the 1936 levels. Plans were

⁷⁸CEEC: General Report, pp. 8, 10; U. S. Senate, The European Recovery Program: Basic Documents and Background Information, p. 9.

⁷⁹Dept. of State, Bulletin, Vol. XVII, No. 431 (1947), 688-689; Ibid., Vol. XVII, No. 432 (1947), 736-739.

announced on September 12 for studies to begin on the formation of a European customs union, to include the nations of Eastern as well as Western Europe.⁸⁰

Interim Aid

It had become apparent by September that France, Italy, and Austria would need even further assistance to survive the winter of 1947-1948 without widespread suffering and starvation. Austria, for months, had survived solely through foreign relief. These funds would be exhausted shortly after January 1, 1948. France had dollar resources sufficient to allow the procurement of food and fuel from abroad only to the end of December. At the end of August, France had restricted practically all imports except food and fuel. In Italy, funds were available for the procurement of food and coal only to the end of November. In June, Italy had been forced to eliminate the overseas purchase of most of the raw materials needed for the operation of its economy. Food and coal requirements had been met through the American foreign relief program, but these funds would be exhausted by December 1.⁸¹

An effort was made to discover if the crisis could be met through funds already appropriated to the Administration. It was considered undesirable to call Congress into special session at the time, since upon convening in the next regular session it would be confronted

⁸⁰U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 7-8.

⁸¹Senate Committee on Foreign Relations, Hearings on Interim Aid for Europe, p. 8.

with the Administration's long-range European Recovery Program. The President was advised that at least \$580 million were necessary for emergency aid to Italy, France, and Austria. When it became obvious that this amount was not available, the President and Secretary Marshall met with Congressional leaders on September 29 and asked that the Appropriations Committees and Foreign Relations Committees of both Houses meet at the earliest date to consider the European food crisis. Congressional figures attending the meeting included Senators Bridges, Connally, Lucas, Vandenberg, and White; Representatives Arends, Bloom, Eaton, Halleck, Rayburn, and Wolcott. Truman emphasized that it would be futile to consider a long-range European Recovery Program if France, Italy, and Austria were unable to survive the winter. In addition, he pointed out, it would be useless to call a special session of Congress unless the crucial Appropriations and Foreign Relations Committees approved interim aid. On September 30, the Senate Foreign Relations Committee and the House Foreign Affairs Committee announced a joint session on November 10 to begin hearings on the interim aid program. The Senate Appropriations Committee scheduled hearings to begin on November 18.⁸²

State Department officials, during September and October, had kept the urgency of the European situation constantly before the President. At the same time, departmental officials were meeting in the evenings with members of Congress. These meetings, arranged by Con-

⁸²Truman, II, 117; Dept. of State, Bulletin, Vol. XVII, No. 431 (1947), 688-689; Ibid., Vol. XVII, No. 432 (1947), 735-736; U. S. Senate, The European Recovery Program: Basic Documents and Background Information, p. 9.

gressional staff members, did much to bring about a meeting of minds on the urgent nature of the European situation. Secretary Marshall met frequently with Senator Vandenberg during the summer and the Foreign Relations Committee received regular briefings from State Department officials. Although agreeing that emergency aid was a necessity if the long-range aid program were to have any possibility of success, Vandenberg left to the President the responsibility for calling Congress into special session.⁸³

The President met again with Congressional leaders on October 23 at the White House. Afterward, he issued a proclamation calling the Congress into special session on November 17. In a public statement issued simultaneously, the President announced as his reasons for calling the special session ". . . the alarming and continuing increase in prices in this country and the situation regarding the need for emergency foreign aid" He announced, in addition, that this expedient would enable Congress to ". . . speed up its consideration of the part to be played by the United States in the long-range European recovery program." On the next evening, the President addressed the nation on all major networks as to the necessity for convening Congress in special session.⁸⁴

Addressing the joint session of the Senate Foreign Relations Committee and the House Foreign Affairs Committee on November 10, Secretary Marshall asked for enactment of legislation authorizing the appropriation of \$597 million in interim foreign aid. Of this amount

⁸³Cheever and Haviland, pp. 110-111; Price, p. 150.

⁸⁴Dept. of State, Bulletin, Vol. XVII, No. 435 (1947), 852-855.

Austria would receive \$42 million, France \$328 million, and Italy \$227 million. These funds would suffice until March 31, 1948, "before which time we hope that some decision may have been taken by the Congress regarding a broad recovery program" The Secretary emphasized that this was " . . . not a recovery program. It is designed to help provide the essentials of existence to the people of these three countries."⁸⁵

Congress required a month to pass a stop-gap interim aid measure providing for a grant of \$522 million to France, Italy, and Austria. The total interim aid figure was increased to \$577 million with the additional appropriation on March 31, 1948 of \$55 million. Although the interim aid bill passed with relative ease, conflict was indicated for the long-range recovery program.⁸⁶

The interim aid bill (S. 1774), sponsored jointly by Senators Vandenberg and Connally and reported unanimously by the Foreign Relations Committee on November 19, authorized the full \$597 million requested by the Administration. The committee report emphasized that support for the interim measure carried no obligation to support any long-range aid

⁸⁵Senate Committee on Foreign Relations, Hearings on Interim Aid for Europe, pp. 8-9.

⁸⁶Senators Vandenberg and Hickenlooper had acquired information in mid-1947 that an agreement existed between the U. S. and Great Britain which provided that the U. S. could not use the atomic bomb against any country without British consent. Later agreements, providing for sharing of information and cooperation in atomic development, were revealed on November 16 by Secretary Forrestal and Under Secretary Lovett. Both senators warned that unless the agreements were revised, the Administration could not expect approval of the Marshall Plan. Accordingly, in January, 1948, the agreements were revised. Final decision for use of the bomb was placed in the hands of the U. S. President, the U. S. was assured of more adequate ore supplies from the Belgian Congo, and the area in which information could be exchanged was clarified. Vandenberg, p. 361.

program.⁸⁷ Senate debate on the measure lasted from November 24 until December 1. Senator Vandenberg led the forces in support of the measure. Although approval seemed apparent, there was some vigorous dissent. Senator Taft said the situation creating the necessity for aid had been caused by the Administration's past policies of appeasing the Russians in Europe and by the Europeans themselves, who had adopted "the principles of socialism".⁸⁸ Taft was joined in this line of dissent by others, including Senators Knowland (R., Calif.) and McClellan (D., Ark.), who charged the Administration with inconsistency in its policies vis-a-vis the Soviet Union. Senator Brooks (R., Ill.) criticized the "short-sighted" decision to "annihilate" Germany during the war. Senator Malone (R., Nev.) attributed the European crisis to the "Socialist-inclined governments" of Europe.⁸⁹

Although the aid bill passed by an overwhelming majority of 83 to 6, this vote did not mean that the Marshall Plan legislation, when introduced, would emerge unscathed. Many senators announced their reluctant support of the interim measure and made explicit that this did not mean their endorsement of the Marshall program. An amendment offered by Senator Ball (R., Minn.), which was adopted by voice vote, struck out language in the bill referring to a "general European

⁸⁷U. S., Senate, Committee on Foreign Relations, European Interim Aid Act of 1947, 80th Cong., 1st Sess., 1947, Report No. 771 to accompany S. 1774, pp. 1-16, in Senate Miscellaneous Reports, IV (Washington: U. S. Government Printing Office, 1947). Cited hereafter as Senate Committee on Foreign Relations, European Interim Aid Act of 1947.

⁸⁸Congressional Quarterly, Vol. III, No. 4 (Oct.-Dec., 1947), 610.

⁸⁹Ibid.

economic recovery program".⁹⁰ Objections heard in the Senate centered primarily on the amount of appropriations authorized, the mechanics of the revolving funds of local currencies to be established with the proceeds of the sale of goods furnished under the bill, arrangements for publicizing the aid program in the recipient countries, and the relationship of the aid program to the United Nations. Amendments were offered to accomplish the purposes of the objectors, but were defeated. Senators Taylor (D., Idaho) and Pepper (D., Fla.) again raised the issue of "bypassing" the United Nations, as they had done in connection with Greek-Turkish aid.⁹¹ Other objections were raised concerning whether the aid should be a loan rather than a gift; distribution of the relief supplies; shipping (the bill contained no provision requiring a specific amount of the supplies be shipped in American bottoms); administration (should not be entrusted to the State Department); and the "neglect" of Latin America and Asia in the foreign aid program.⁹²

On December 2, the House Foreign Affairs Committee reported H. R. 4604, which was similar to S. 1774 except that it included a provision for aid to China and provided for an appropriation of only \$590 million.⁹³ House debate began on December 4 and continued through six legislative days. There was more opposition to the aid bill in general

⁹⁰Ibid., p. 611; The six senators voting against the bill were: Langer (R., N. D.), McKellar (D., Tenn.), Moore (R., Okla.), O'Daniel (D., Tex.), Robertson (R., Wyo.), and Taylor (D., Idaho). Ibid., p. 614.

⁹¹Ibid., pp. 612-613.

⁹²Ibid., pp. 613-614.

⁹³Ibid., p. 616.

in the House and its supporters stressed the "anti-Communist" aspects of the program more than did aid supporters in the Senate. Forty-seven substantive amendments were offered to the bill in the House, whereas only twenty were offered in the Senate. Opponents argued that the bipartisan foreign policy of the "internationalists" would "lower our standard of living" and "destroy our individual freedom."⁹⁴ Others objected that foreign aid would bankrupt the United States; that approval of the interim bill was tantamount to approval of the Marshall Plan; that the aid might eventually be used against the United States; that previous aid had not accomplished its purpose; that we were paying "blackmail" to European countries against their "threats" to go Communist.⁹⁵ It also was argued that the Europeans could solve their problems by returning to free enterprise economies.⁹⁶ Amendments were offered to include protections in the bill against procuring goods in short supply in the United States (rejected), to lower the amount of aid recommended by the Foreign Affairs Committee (rejected), and to put several conditions on the export of wheat (adopted).⁹⁷ The House bill was passed by voice vote. House and Senate conferees quickly compromised the differences between the two Houses and the conference report was accepted in both Houses on December 15 with little debate. The conferees had restored the amount of funds authorized to be ap-

⁹⁴Ibid., p. 617.

⁹⁵Representatives Allen (R., Ill.), Mason (R., Ill.), and McGregor (R., Ohio), Ibid., pp. 617-618.

⁹⁶Representative Coudert (R., N. Y.), Ibid., p. 619.

⁹⁷Ibid., pp. 619-623.

appropriated to the \$597 million requested by the Administration. Senate adoption was by voice vote, while in the House the report was adopted on a roll call vote of 313-82. Voting against the report were seventy Republicans, eleven Democrats, and one member of the American Labor Party.⁹⁸

Generally, the comment from Washington lobbyists and the press was favorable toward the interim aid bill. However, these quarters were displaying more concern for the long-range European Recovery Program.⁹⁹

The stage now was set for introduction of the legislation to implement the proposal announced by Secretary Marshall in June. Since that date, scores of persons in the Executive branch had labored at a fever pitch to develop plans which would meet the requirements of the European crisis and simultaneously be acceptable to the Congress and the people. There was cooperation from Congress in this endeavor and, at the same time, Congress sought to gain insight into the European situation by its own devices. Europe had responded quickly to the American proposal and, generally, in the cooperative manner which had been a condition of American aid. The refusal of Soviet Russia and its satellites to join in the concerted effort to rehabilitate all of Europe with American assistance was a disappointment to many. It meant not only that the problem of European reconstruction would be more difficult to resolve but also that the disparity of interests between the

⁹⁸Ibid., pp. 628-629. Congress was not quite as generous, however, in regard to the funds actually appropriated. See page 193, supra.

⁹⁹Ibid., pp. 629-630.

United States and the Soviet Union had become greater than ever. It became increasingly apparent that this disparity was worldwide in scope and effect. The influence of the threatening deterioration of relations between the world's two super-powers would weigh heavily in determining the legislative success or failure of the Marshall Plan.

The problem of foreign aid had been highlighted in the eyes of the nation for nine months. Instead of improving through generous infusions of American aid, economic and political conditions in Europe were a source of despondency. In order not to lose the momentum and effect gained through the calling of Congress into special session, the Administration, on the last day of that session, unveiled its new approach to the reconstruction of Europe through self-help, mutual cooperation, and more generous American assistance.

CHAPTER V

THE EUROPEAN RECOVERY PROGRAM IN CONGRESS

The Setting and the Forces

On December 19, 1947, the last day of the special session, President Truman forwarded to the Congress his message on the European Recovery Program.¹ Simultaneously, the State Department submitted to the Senate Foreign Relations Committee draft legislation and background materials for its use in considering the recovery program.² The House Foreign Affairs Committee had commenced hearings on foreign aid legislation on December 17.

Thus, the climactic stage had been reached in the planning for a positive postwar United States foreign policy and for a possible solution to the impasse in the development of a peaceful and prosperous postwar world. The plans had been formulated. Now, under the rules of the American system of government, Congress was to have its day. The weeks and months ahead were to be filled with frustrations for the planners of the Executive branch as the Congress--with due deliberateness--exercised its function of law-making. For the President

¹Congressional Record, XCIII, Part 9, 11749-11753.

²U. S., Senate, Committee on Foreign Relations, Outline of European Recovery Program: Draft Legislation and Background Information, 80th Cong., 1st Sess., 1947. Cited hereafter as Senate Committee on Foreign Relations, Outline of European Recovery Program.

may propose, but it is the unquestioned prerogative of the Congress to dispose. The Truman Administration was pressing for completion of Congressional action on the recovery program by April 1 in order to maintain the flow of supplies generated under the interim aid legislation, which was scheduled to expire by that date. If the aid "pipelines" were not kept open, the prospects for European recovery would be even further diminished. Disastrous consequences were predicted.³

The fate of the Marshall Plan, therefore, was now at the disposal of the Republican-dominated Eightieth Congress. With few exceptions, that Congress was led by men who not only had been constantly at swords' points with the Truman Administration but also were possessed of deep-seated isolationist attitudes. Their voting habits comported with their attitudes.⁴ In addition, these men were for the most part economic conservatives and took great pride in their efforts to develop an "economy program" for the Federal Government. Despite the urgency attached by the Administration to its speedy enactment, a foreign aid program calculated conservatively to entail \$17 billion in United States expenditures over a four-year period could be expected to encounter serious obstacles in such an environment. Not

³Congressional Record, XCIII, Part 9, 11751.

⁴In an analysis of Congressional voting behavior on questions of foreign aid, loans and grants, during the 1933-1948 period, Robert A. Dahl found that in the House 89 percent of the Democrats favored such legislation whereas only 56 percent of the Republicans did so. In the Senate, 83 percent of the Democrats favored such legislation while only 55 percent of the Republicans reacted favorably. Dahl, p. 189.

to be dismissed from consideration during this critical period was the forthcoming Presidential campaign. Certain important contenders were directly involved, including President Truman and Senators Taft and Vandenberg. The recovery program could well have been lost amidst the intricate involvements of a Presidential campaign. Not only did President Truman have less than firm control of his party in Congress at this time, there also was serious doubt that he would be renominated. The President did not strengthen his position by sometimes being less than tactful in his relationships with important Congressional figures.⁵

Probably no legislative program in the history of the nation had received such an extensive effort in its preparatory stages as had the European Recovery Program. A large and convincing body of evidence had been accumulated as justification for its enactment. Yet Administration officials were to be besieged for seven months with demands for more and better justifications. Although there were many points of contention, the main controversies throughout revolved around two issues: the scope and duration of the program and the plan for its administration. In general, the Administration, in order to win on the first of these issues found it necessary to compromise on the second. Many compromises were made by the Administration, none of which, however, did serious damage to the basic policy involved. Not until the actual appropriation measure was signed more than six months from the time of introduction of the enabling legislation, however, could it be

⁵One writer observed that by the end of his first year in office President Truman no longer held regular strategy conferences with the leaders of his party in Congress. ". . . Relations between President Truman and individual Senators and Representatives are purely social." Coffin, pp. 22-23.

said with certainty that control of United States foreign policy was exercised by the President rather than by the Congress.

Despite the care given to the development of the recovery program and to its exposition to the Congress and the public, there is some doubt that it would have emerged from the Congressional arena substantially in accordance with Administration desires had there not been a steady deterioration of the international situation during this period. Initially, the recovery program was presented with only oblique references to its important bearing on the United States-Soviet Russian relations. Before completion of Congressional action on the program, however, fewer efforts were being made to conceal the importance attached by the United States Government to a rejuvenated Western Europe aligned in some manner with this nation.⁶

Although the ~~Greek~~-Turkish aid program ostensibly had been directed against all forms of totalitarianism, there was little doubt that the Truman Doctrine had been enunciated primarily as a warning to the Soviet Union and to the Communist ideology which it espoused. The Marshall Plan, in part, had been conceived as a response to the threat posed by Soviet Communism while at the same time it contained the promise of reducing the tensions and threats of war inherent in the intensification of the Soviet-American struggle. The Russians, however,

⁶During presentation of the program to Senate and House committees, emphasis was placed on its economic aspects, both as to cause and effect. Before final Congressional action had been taken on the measure, the Administration was urging expeditious action not only on ERP but also on Universal Military Training and revival of Selective Service. In addition, veiled promises were made of United States support of a defensive Western European military arrangement. New York Times, March 18, 1948, pp. 1, 3.

proved to be as suspicious of this American initiative as they had been of others during and after the war. Their open declaration of hostility toward the European Recovery Program thus frustrated efforts by the Truman Administration to effect some form of understanding with Soviet Russia.

In achieving reality for the European Recovery Program the Administration confronted the task of winning the adherence of an increasingly reluctant Congress and the support of a larger public which frequently evinces little knowledge of or enthusiasm for foreign undertakings.⁷ Important officials of the Administration worked diligently to explain the necessity for the undertaking to the general public. Such initiative was exercised by the Administration in taking its message to the public that Congressional critics frequently centered their opposition around charges that the people

⁷In October, 1947, when the European crisis was mounting, an American Institute of Public Opinion Poll showed more Americans concerned with high prices, inflation, and the high cost of living than with foreign policy, Russia, or the danger of war. The Public Opinion Quarterly, Vol. II, No. 4 (Winter, 1947), 658. An indication of the vagaries of public opinion is seen, however, in an earlier AIPO poll released in August, 1947, in which 73 percent of the respondents thought that the United States would be involved in another war within twenty-five years. Ibid., Vol. II, No. 3 (Fall, 1947), 490. In February, 1948, amidst the ERP hearings and the attendant publicity, only 33 percent of the respondents in an AIPO poll considered foreign policy issues as the most important problems facing America. However, in April, at the height of the Italian electoral crisis, the comparable figure became 73 percent. Almond, p. 73. As late as January, 1948, when the Marshall Plan had been before the public for months, the New York Times found in a survey made in eleven cities across the nation that ". . . a large segment of the public neither fully understands nor is vitally interested . . ." in ERP. Among those indicating an interest, however, the consensus was favorable toward ERP. Most of the opposition was concentrated in the Middle West. New York Times, January 4, 1948, E6.

were being "brainwashed" and "propagandized".⁸ Probably as much as any governmental program in American history--if Congressional reaction is any guide, the Marshall Plan captured the attention of the American public and, more importantly, the various interest groups.⁹ As the opinion polls continued to demonstrate, no program can ever distract the public completely from day-to-day pursuits. The interest of many citizens is seldom captured for long and then only with varying degrees of intensity. Yet the evidence is ample that many special interest

⁸Such charges were heard most frequently in the House. In general, House debate on ERP was much more emotional than was the Senate debate. An explanation for this may lie in the less-harried atmosphere prevailing in the Senate, where few restraints on debate exist. In the House, where debate is limited carefully, a member must make his points quickly and concisely. Thus, members may feel a compulsion to be less diplomatic and more candid. Usually, those who charged that the public was being "propagandized" also alleged that the public was "confused" thereby; therefore, "further study" was warranted. For examples, see U. S., Congressional Record, 80th Cong., 2nd Sess., 1948, XCIV, Part 3, 3313, 3321. Some criticism of the Administration's publicity efforts came from friendly sources. James Reston charged State Department public relations specialists with ineptitude for releasing simultaneously on December 19 the ERP bill, the department's explanation thereof and the President's message on the program, with no further information releases prior to the re-convening of Congress. The department also was scored for poor timing by its release of a summary of commodities available for ERP on a day when it had to compete for press coverage with the President's State of the Union message. New York Times, January 7, 1948, p. 12.

⁹There was no great "upsurge" of sentiment on the part of the general public demanding immediate enactment of ERP, yet there undoubtedly was a general consensus in support of the program. The support of special interest groups appeared to be overwhelming. There were many decidedly reluctant votes cast in support of ERP in Congress. Undoubtedly, they resulted from convictions that to vote otherwise might lead to recriminations at the polls. Opposition among conservative House Republicans was so strong as to threaten disunity at the forthcoming Republican National Convention. To prevent a disastrous party split in a year in which it appeared inevitable that the Republicans would capture the Presidency, economic and other considerations were, in the end, overcome by purely political factors. See Vandenberg, p. 428, concerning the intensity of the ill-feeling between the "isolationist" and "internationalist" wings of the Republican Party generated by the recovery legislation.

groups went to great lengths to elicit support for the European Recovery Program. In the majority of cases, the interest group support appeared to be motivated not by expectations of the fulfillment of selfish interests but by apparent conviction that in the achievement of the program's objectives lay the world's best hopes for peace. To be sure, there were those groups whose support quite obviously was grounded upon hopes of material benefit from the largesse ensuing from the operations of the program.¹⁰ The support of other groups was based

¹⁰For a description of the activities of the Committee for the Marshall Plan, see supra, Chapter IV, pp. 186-187. This committee undoubtedly deserved a large measure of the credit for making the European Recovery Program a general topic of discussion throughout the country. The Senate and House hearings indicated that several of the interest groups and individuals appearing before the committees were conducting organized campaigns designed to stimulate public interest in and support of the recovery program. Mr. Charles R. Hook, President of the American Rolling Mills Co., Middletown, Ohio, described town meetings being held in his city, with representatives of the State Department present to answer questions on ERP. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 2, p. 639. Local affiliates of the League of Women Voters of the United States conducted "literally hundreds" of meetings throughout the country in support of ERP. Ibid., p. 659. James F. O'Neil, National Commander of the American Legion, undertook a 50,000-mile tour of the nation to discuss ERP. Ibid., p. 670. Voluntarily, the National Planning Association undertook a study regarding the administrative aspects of ERP. Ibid., pp. 723-740. Ralph McGill, editor of the Atlanta (Ga.) Constitution, maintained a steady flow of editorials in support of ERP and spoke on the subject throughout Georgia and the South. Ibid., pp. 741-743. The Committee for Economic Development worked for "months" on the preparation of a formal statement in support of ERP. Ibid., pp. 847-852. Upon the request of Senator Vandenberg for a study of the administrative aspects of ERP, the Brookings Institution diverted its entire staff to the inquiry which ultimately became the basis for the compromise between the Administration and Congress in respect to this aspect of ERP. Ibid., pp. 855-859. The National Council of Jewish Women sent to its more than 200 sections throughout the country voluminous literature on the Marshall Plan and asked for the reactions of the various sections. Without exception, the replies were in the affirmative. Ibid., p. 955. In the fall of 1947, the Council for Social Action of the Congregational Christian Churches of the United States issued an appeal to Christian churches to support the Marshall Plan as well as the domestic measures

primarily on their anti-Communist and anti-Russian biases and their analysis of the program as a major strategic move in the conflict between the United States and the Soviet Union. Most groups were well aware of the national security aspects of the program; however, some emphasized this more than others.

necessary to insure its success. Ibid., Part 3, pp. 1323-1326. The National Intercollegiate Christian Council, composed of student YMCA's and YWCA's on 750 campuses, polled the various campus organizations and asked each to have its membership discuss ERP. Its poll indicated a "great majority" in support of ERP. Ibid., pp. 1349-1352. The international relations chairmen of the 2,000 local affiliates of the National Federation of Business and Professional Women's Clubs took the lead in securing signatures to petitions addressed to Congress urging the adoption of ERP. Ibid., pp. 1420-1421. The American Federation of Labor called a conference in Brussels, Belgium, in March, 1948, for the purpose of explaining to the representatives of labor in the CEEC countries the aims and purposes of the Marshall Plan and that American labor was "standing united" behind the plan. U. S., House, Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, The First Step Being Consideration of Proposals for a European Recovery Program, Including H. R. 4840, H. R. 4579, and Similar Measures (2 Parts), 80th Cong., 2nd Sess., 1948, Part 2, pp. 1308-1318. Cited hereafter as House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program. For the groups with less altruistic motives in supporting ERP, the following serve as examples: Dr. George F. Zook, President, American Council on Education, asked that the ERP legislation include provisions for making available to the recipient countries vocational teachers and leaders from the United States to assist in developing vocational training programs. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 2, p. 649. In a statement inserted in the record by Senator George (D., Ga.), the president of the American Turpentine Farmers' Association expressed concern ". . . over the prospects of the progressively declining export market for gum naval stores . . ." Because the ERP nations, in the pre-war period, had accounted for more than half of the industry's exports, it was "only fair" that Marshall Plan funds be used to help the industry regain these markets. Ibid., Part 3, p. 1220. The National Retail Farm Equipment Association, pleading that farm machinery requirements for the ERP countries were unrealistic in view of the relatively backward state of European agriculture, its emphasis on small plots, and the great need among American farmers to acquire replacements for equipment either worn-out or ill-suited to modern, highly mechanized and commercialized farming, offered to mount a campaign to meet the needs of Europe. Ibid., pp. 1326-1331. Like the

During the war and in the immediate postwar period, great emphasis had been placed on the concept of "bipartisanship" in the conduct of American foreign policy. Senator Vandenberg, Chairman of the Senate Foreign Relations Committee, was the leading Congressional exponent of the theory. Chairman Eaton, of the House Foreign Affairs Committee, also enthusiastically endorsed the concept, although his effectiveness was not to be compared with that of Vandenberg.¹¹ The Truman Administration owed much to the former isolationist from Michigan for his political sacrifices on behalf of the recovery program. Vandenberg encountered the strongest, the most vocal, and the most obstinate opposition to his theory of bipartisanship and to the recovery program from among the leaders of his own party in the Congress.¹² For reasons known only

representative of the gum naval stores industry, the fresh and dried fruit industries asked for assistance in re-establishing European markets for their products. If this were not done, they maintained, an increase in support prices would be necessitated. Ibid., pp. 1435-1437. The Kentucky General Assembly petitioned Congress to provide that tobacco supplied under ERP " . . . be on a basis that will remove United States surplus supplies of each type of tobacco" Ibid., p. 1444. The National Machine Tool Builders' Association was critical because the CEEC Report contained no requirement for machine tools. The machine tool industry was operating at "one-half its potential" due to Government-disposal of surplus machine tools for war purposes. Therefore, to maintain a "strong American machine-tool industry", it was urged that this surplus be utilized in the recovery program. House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 2, pp. 1419-1423. The National Society of Professional Engineers urged that the services of its members be utilized in the recovery program " . . . to assure the full and effective use of our technical assistance," Ibid., pp. 1728-1729.

¹¹Dean Acheson, A Democrat Looks At His Party (New York: Harper and Brothers, 1955), pp. 104-105; Jewell, pp. 119-126; Vandenberg, pp. 1-125; Congressional Quarterly, Vol. I, No. 1 (Jan.-Mar., 1945), 43-44; Carroll, pp. 96-97.

¹²Vandenberg, p. 466; Connally, p. 311.

to Vandenberg, he placed ERP above all political considerations, including his own ambitions for the Presidency.¹³ The Congressional debate of the Marshall Plan demonstrated that bipartisanship is extremely difficult to maintain in a Presidential election year. Both the hearings and debates demonstrated that the phenomenon of isolationism was far from dead in the America of 1948. The recent war had compelled a degree of internationalist thinking in Congress. Internationalism was a difficult concept for some members to accept willingly but, with few exceptions, winning the war took precedence over partisan politics. Two and one-half years after the war's end, there was no such obvious compulsion about matters requiring Congressional approval.¹⁴ In the view of many, both liberals and conservatives, the United States was confronted with problems enough within its own boundaries without endeavoring to shoulder the burdens of the world. It was the extreme in irony that the Marshall Plan depended for its ultimate success upon the enthusiasm and skills of such contrasting Republican leaders as Vandenberg, Martin, and Halleck, and a Congress dominated by a party almost unalterably opposed to any program, whether domestic or foreign, proposed by the Democratic Truman Administration. From the outset, Vandenberg was in sympathy with the objectives of the European Recovery Program. Being human, he was unable to divest himself of all

¹³Vandenberg, p. 384.

¹⁴Democratic Senator Tom Connally, not one to praise Republicans unduly, concedes their support of the bipartisan foreign policy during World War II and the peace treaties following that war. With the adoption of the Truman Doctrine, Connally observed, ". . . several Republicans began to veer back toward isolationism . . ." Connally, p. 350.

prejudices and he therefore endeavored to identify ERP as a bipartisan undertaking (and thus as much Republican as Democratic).¹⁵ The obstructionism of some of his Republican colleagues, however, and the wide currency given thereto by the news media, almost overshadowed the positive contributions of Vandenberg.¹⁶

The ultimate character of the European Recovery Program thus was determined by the interaction of the many powerful contending forces in the American political arena. No public policy is ever determined without the participation of and contributions from these forces. The degree of participation is variable, yet it is ever present. Although some members of Congress complain that the President has merely to speak in the area of foreign policy and thus commit the nation to a given course, leaving no effective role to Congress, the story of the Marshall Plan demonstrated otherwise. The initiative, then as now, remains largely a Presidential prerogative, yet in a government built upon compromise, the ultimate content of public policy is determined in large measure by those most skilled in the art of the possible.

The final setting in the Marshall Plan story was in the committee

¹⁵The position of Senator Vandenberg as much more than an impartial moderator was evident from the beginning of the hearings before his committee. Repeatedly, he emphasized the necessity of writing a bill that would have the confidence of the American people and, administratively, accomplish the desired objectives. Senate Foreign Relations Committee, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 149-150, 302.

¹⁶For examples, see New York Times, June 6, 1948, pp. 1, 13; Ibid., June 8, 1948, pp. 1, 5, 6; Ibid., June 10, 1948, pp. 1, 5; Ibid., June 11, 1948, p. 13; Ibid., June 15, 1948, pp. 1, 14; Ibid., June 16, 1948, pp. 1, 4; Ibid., June 18, 1948, p. 9; Ibid., June 19, 1948, pp. 1, 13; Ibid., June 20, 1948, pp. 1, 40.

hearing rooms and the chambers of Congress. As the story had developed there had been elements of collaboration with certain of the actors on the Congressional scene; yet, as the latter would concede, the prime impetus had not come from Capitol Hill. Now, however, the spotlight focused on other participants in this drama of American government.

The leading actors in this final act included Senator Vandenberg, highly influential chairman of the eminent Senate Foreign Relations Committee;¹⁷ certain members of the House Foreign Affairs Committee;¹⁸ the chairmen

¹⁷Membership on the committee, in addition to Vandenberg, included Arthur Capper (R., Kan.), Wallace H. White, Jr. (R. Me.), Alexander Wiley (R., Wis.), H. Alexander Smith (R., N. J.), Bourke B. Hickenlooper (R., Iowa), Henry Cabot Lodge, Jr. (R., Mass.), Tom Connally (D., Tex.), Walter F. George (D., Ga.), Robert F. Wagner (D., N. Y.), Elbert D. Thomas (D., Utah), Alben W. Barkley (D., Ken.), and Carl A. Hatch (D., N. M.) Congressional Record, XCIII, Part 15, D12. Among the Republicans, Vandenberg had served on the committee eighteen years; Capper, eleven years; Wiley, two years. Smith, Hickenlooper, and Lodge were "freshmen". On the Democratic side, Connally had served sixteen years; George, nineteen years; Wagner, eighteen years; Thomas, fourteen years; Barkley, ten years; and Hatch, two years. Among the entire membership, there were overlapping memberships on ten of the other fourteen Senate standing committees. Capper, White, and Wiley were chairmen of standing committees, while Wagner, George, Thomas, and Hatch were ranking minority members of standing committees (and had been chairmen in Democratic-controlled Congresses). Farnsworth, pp. 24-25. During the hearings, Vandenberg, Wiley, Smith, Hickenlooper, Lodge, Connally, George, Thomas, and Barkley were most active in questioning witnesses. Only Wiley and Hickenlooper indicated skepticism toward ERP. During Senate debate, Vandenberg, Lodge, Smith, Connally, and Barkley were most active in defending the proposal.

¹⁸Republican members of the Foreign Affairs Committee, ranked in descending order of seniority, included Charles A. Eaton (N. J.), Chairman; Robert B. Chipfield (Ill.), John M. Vorys (Ohio), Karl E. Mundt (S.D.), Bartel J. Jonkman (Mich.), Frances P. Bolton (Ohio), Charles L. Gerlach (Pa.), Lawrence H. Smith (Wis.), Chester H. Merrow (N. H.), Walter H. Judd (Minn.), James G. Fulton (Pa.), Jacob J. Javits (N. Y.), John Davis Lodge (Conn.), and Donald L. Jackson (Calif.). Democratic members, in descending order of seniority, were: Sol Bloom (N. Y.), John Kee (W. Va.), James P. Richards (S. C.), Joseph L. Pfeifer (N. Y.), Pete Jarman (Ala.), Wirt Courtney (Tenn.), Thomas S. Gordon (Ill.), Helen Gahagan Douglas (Calif.), Mike Mansfield (Mont.), Thomas E. Morgan (Pa.), and William F. Colmer (Miss.). Congressional Record, XCIII, Part 15, D22. Committee

and certain members of the Appropriations Committees;¹⁹ and the Republican leadership of Senate and House.²⁰ Functioning behind the scenes were the Administration officials who had guided the European Recovery Program to its present status. Participating both publicly and privately were the interest groups, some focusing upon specific objectives in connection with the legislation and others directing

Republicans most active during the hearings were Vorys, Judd, Lodge, Mundt, Bolton, Jonkman, Chiperfield, Smith, Fulton, Merrow, Javits, and Jackson, generally in the foregoing order. This same group led the defense of the bill in floor debate. Vorys was chairman in fact if not in name. Democratic members most active during the hearings, as well as the House debate, included Bloom, Kee, Richards, Jarman, Courtney, Douglas, Mansfield, and Colmer.

¹⁹The House Appropriations Committee consisted of forty-three members (25 Republicans; 18 Democrats). The chairman was ultra-conservative John Taber (R., N. Y.). Ranking Democrat was Clarence Cannon (D., Mo.). In respect to ERP, the most important members of this committee, by far, were Taber, Richard B. Wiggleworth (R., Mass.), Albert J. Engel (R., Mich.), Karl Stefan (R., Neb.), Francis Case (R., S. D.), Frank B. Keefe (R., Wis.), Cannon, John H. Kerr (D., N. C.), and George H. Mahon (D., Tex.), who composed the Subcommittee on Deficiencies. The recommendations of this subcommittee, ultimately, became the recommendations of the parent committee and the House as well. The Senate Appropriations Committee which, traditionally, sits as a reviewing authority for the House committee, consisted of twenty-one members (12 Republicans, 9 Democrats). Republican members included Styles Bridges (N. H.), Chairman; Chan Gurney (S. D.), C. Wayland Brooks (Ill.), Clyde M. Reed (Kan.), Joseph H. Ball (Minn.), Homer Ferguson (Mich.), Kenneth S. Wherry (Neb.), Guy Cordon (Ore.), Leverett Saltonstall (Mass.), Milton R. Young (N. D.), William F. Knowland (Calif.), and Henry C. Dworshak (Idaho). Democratic members were Kenneth McKellar (Tenn.), Carl Hayden (Ariz.), Elmer Thomas (Okla.), Millard E. Tydings (Md.), Richard B. Russell (Ga.), Pat McCarran (Nev.), John H. Overton (La.), Joseph C. O'Mahoney (Wyo.), and Theodore Francis Green (R. I.). A high incidence of Midwesterners was noted among the Republican membership of both committees. Eight of the twelve Republicans on the Senate committee were members of the so-called "revisionists", whose aim was to defeat or weaken ERP. Ironically, at least a part of this group contributed later to the "reconstruction" of the ERP appropriation measure after its near-emasculation by the House of Representatives. Ibid., p. D9.

²⁰Supra, Chapter II, n. 30, pp. 85-86.

their efforts toward achieving either acceptance or rejection of the policy goals reflected in the proposed program.

The Administration Bill

Although the House Foreign Affairs Committee conducted one meeting on proposed foreign aid legislation on December 17, 1947, while Congress was in special session, hearings on the Administration's bill for the European Recovery Program did not actually begin until the opening of the Second Session of the Eightieth Congress in January, 1948. At that time, the bill was introduced in the Senate by Senators Vandenberg and Connally and in the House by Representative Eaton, in order to provide their committees with legislative vehicles on which to commence their hearings and studies.²¹

"The Economic Cooperation Act of 1948"²² authorized appropriations of \$6.8 billion for European recovery purposes during the first fifteen months of the program and a total of \$17 billion for the period April 1, 1948-June 30, 1952. Provision was made for an advance of \$500 million from the Reconstruction Finance Corporation pending enactment of the appropriations legislation, and the President was authorized to transfer any unobligated and unexpended funds remaining

²¹The Administration measure was introduced initially in the House (H. R. 4840). In the Senate the bill was designated S.2202. Because the Senate passed S.2202 before hearings had been completed in the House on foreign aid proposals, the Senate measure moved to the House, was referred to the Foreign Affairs Committee and emerged, with amendments, as the vehicle embodying that committee's foreign aid recommendations. The House committee also considered H. R. 4579, authored by Representative Herter.

²²Senate Committee on Foreign Relations, Outline of European Recovery Program.

from interim aid appropriations to the recovery program.²³

The bill recognized the "interdependence" of the United States and Europe. Europe's crisis was viewed as flowing from the "economic disruption remaining in the wake of war." It was declared to be United States policy to assist those European countries " . . . participating in a joint European-recovery program based on self-help and mutual co-operation."²⁴ It was contemplated that the participating countries could become independent of "abnormal outside economic assistance" by the end of the program through

- (1) promoting industrial and agricultural production in the participating countries;
- (2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances;
- (3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.²⁵

Any country, either "wholly or partly in Europe, including its colonies or dependencies", could participate in the program so long as it "remains an adherent to a joint program for European recovery designed to accomplish the purposes of this Act."²⁶

To administer the act, there was established an Economic Cooperation Administration in the Executive branch. The agency was to be

²³Section 9. Ibid., pp. 8-9.

²⁴Section 2(a). Ibid., p. 3.

²⁵Section 2(b). Ibid.

²⁶Section 3. Ibid.

headed by an Administrator, to be appointed by the President and confirmed by the Senate. Although heralded as being "independent", it was provided that "all" of the Administrator's functions ". . . which affect the conduct of the foreign policy of the United States shall be formed subject to the direction and control of the Secretary of State."²⁷ This provision generated great controversy. Only after resolution of the controversy could passage of the act be viewed with any assurance. Since the Economic Cooperation Administration would be vitally concerned with United States foreign policy, the State Department argued, it must be administered accordingly. Since the President is responsible for foreign policy, then the Department, as his agent, should

. . . participate actively in the formulation and execution of the program. The authority of the President, through the Secretary of State, to give direction to the administration of American assistance where it affects the foreign policy of the United States must remain clear and unimpaired.²⁸

Provision was made for a Deputy Administrator, also to be appointed by the President and confirmed by the Senate, and for interim administration by other agencies of the Government, as directed by the President, pending the appointment and qualification of the first Administrator or Deputy Administrator.²⁹

It was contemplated that "to the greatest extent practicable" the services and facilities of already-existing Federal agencies would be utilized in the administration of the program. The Administrator

²⁷Section 4(a). Ibid., pp. 3-4.

²⁸Ibid., p. 56.

²⁹Section 4(b)(c). Ibid., p. 4.

would be empowered sufficiently, however, to provide " . . . central administrative direction by a relatively small organization of the highest competence" ³⁰ Provision was made for employing personnel for duty within the United States without limit as to number. Limits as to number and salary were placed on the category regarded to be the core of the Administrator's top staff. ³¹

To be the "chief United States representative to any European organization of participating countries which may be established . . . to further a joint program for European recovery . . ." and to carry out any other duties " . . . assigned . . . with the approval of the President . . .", the position of United States Special Representative in Europe was created. ³²

For carrying out overseas functions under the act, the Secretary of State was authorized to appoint or assign, "in consultation with the Administrator", persons to the Foreign Service Reserve, Foreign Service staff officers and employees, and alien clerks and employees. The Administrator was authorized to appoint a representative on the Foreign Service Board. Such personnel who were citizens of the United States were to be appointed "subject to investigation by the Federal Bureau of Investigation," except that they could begin work after preliminary investigation and clearance by the State Department. ³³

The act specified the functions which could be performed by

³⁰Ibid., p. 56.

³¹Section 4(d). Ibid., p. 4.

³²Section 5. Ibid., pp. 4-5.

³³Section 6. Ibid., p. 5.

the Administrator in providing the assistance required by the participating countries. Such functions included procurement, processing, the storage and shipment of commodities, and providing technical information. These functions were to be performed through other existing governmental agencies " . . . with the consent of the head of such department, agency or establishment," Assistance programs, however, would require the approval of the Administrator. In order to facilitate private investments in furtherance of European recovery, the Administrator was authorized to guarantee the convertibility of foreign currency received by a United States firm which established a business, plant, factory, etc., abroad in furtherance of the purposes of the act. Any such projects would require the consent of the Administrator and the participating country concerned. The amount of any guarantee was to be limited to the amount of the investment and could not insure against ordinary business risks. Total guarantees were to be limited to 5 percent of all appropriations made under the act and were to be limited to a period of fourteen years from the date of enactment.³⁴

Assistance to participating countries could be provided in the form of grants or in the form of loans or other credit terms. In deciding whether assistance should be through grants or on payment terms and in determining the terms of payment, the Administrator was required to consult with the National Advisory Council on International Monetary and Financial Problems (NAC), a Cabinet agency. The decision as

³⁴Section 7(a)(b). Ibid., pp. 5-7.

to whether repayment for assistance should be required, and the terms of repayment, if required, were to depend upon the capacity of the participating country to make repayment " . . .without jeopardizing the accomplishment of the purposes of this Act." Whenever assistance was to be extended on credit terms, the Administrator was directed to allocate the funds to the Export-Import Bank which would administer the credit as directed, and on the terms specified, by the Administrator in consultation with the NAC.³⁵

The Administrator was authorized to utilize commodities owned by government agencies and determined by the owning agency to be available for procurement. Reimbursement, of course, was required. The Administrator also was authorized to conclude agreements with participating countries to promote increased production in such countries of materials required by the United States "as a result of deficiencies or potential deficiencies" in the natural resources of the United States.³⁶ It was not contemplated that any such increased production was to be used as direct repayment for United States assistance. Many members of Congress, however, conceived this as an excellent mechanism for securing at least partial repayment for American assistance. Secretary Marshall and other Administration officials testifying at the hearings argued that the goal of American assistance was to aid the participating countries in reestablishing their export markets and their productive facilities. If the United States should begin immediately to drain off

³⁵Section 7(c). Ibid., p. 7.

³⁶Section 8(a)(c). Ibid., pp. 7-8.

their potential exports as repayment for assistance, they would continue running deficits in their balances of payments. Therefore, it was urged, strategic stockpiling materials should be purchased with dollars other than those appropriated for ERP.³⁷

Authority was granted to the Administrator to charter or sell Government-owned merchant vessels to participating countries, if he deemed such actions necessary.³⁸

Agreements between the United States and the participating countries were to be concluded by the Secretary of State "after consultation with the Administrator," As a condition precedent to receiving assistance, each participating country was required to signify its adherence to the purposes of the act through the conclusion of an agreement with the United States. "Where applicable", each such agreement would provide for:

- (1) Promoting industrial and agricultural production in order to . . . become independent of abnormal outside economic assistance;
- (2) Taking financial and monetary measures necessary to . . . restore or maintain confidence in its monetary system;
- (3) Cooperating . . . in facilitating . . . an increasing interchange of goods and services . . . and cooperating to reduce barriers to trade . . . ;
- (4) Making efficient use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this Act;

³⁷Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 6, 290, 390, 540-549.

³⁸Section 7(a)(5), Section 8(d). Senate Committee on Foreign Relations, Outline of European Recovery Program, pp. 6, 8.

- (5) Facilitating the sale to the United States for stock-piling purposes, . . . of materials . . . required by the United States . . . which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;
- (6) Placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and . . . the United States, when any commodity or service is made available . . . and is not furnished . . . on terms of payment. Such special account, . . . shall be held or used only for such purposes as may be agreed to between such country and . . . the United States;
- (7) Publishing . . . and transmitting to the United States, . . . full statements of operations under the agreement, . . . ;
- (8) Furnishing . . . any relevant information which would be of assistance . . . in determining the nature and scope of future operations under this Act.

Provision was made for the Administrator to furnish assistance during a period of three months immediately following enactment of the legislation, providing the participating country signified its adherence to the purposes of the act and its intention to conclude the required agreement.³⁹

The President was authorized to request the cooperation of the United Nations and its agencies, or other international organizations, in carrying out the recovery program. He was directed to transmit to the Secretary General copies of reports to Congress on operations under the act and to register agreements concluded under the act with the United Nations, if required to do so by the Charter.⁴⁰

The terminal date of the recovery legislation was specified as

³⁹Section 10. Ibid., pp. 9-10.

⁴⁰Section 11. Ibid., p. 10.

June 30, 1952, unless its provisions were terminated sooner by the passage of a concurrent resolution by the two Houses of Congress.⁴¹

The Hearings

Despite the unprecedented effort expended in the preparation of the recovery program legislation and supporting data, the Administration bill encountered difficulties before both the Vandenberg and Eaton committees. Both were exhaustive in their consideration of the proposal. Both reported major amendments to the original proposal.

Public hearings were begun by the House Foreign Affairs Committee on December 17, 1947, resumed on January 12, 1948, and concluded on March 12. A total of twenty-nine public sessions were conducted. The committee issued its report to the House on March 20, after more than a week of closed sessions for preparation of the report. The Senate Foreign Relations Committee began public hearings on January 8 and concluded on February 5. A total of twenty-four public sessions was held. Its report was submitted to the Senate on February 27.

Before the hearings began, there had been an unsuccessful effort made to conduct joint hearings, on the grounds that this would provide a better opportunity for a thorough review of United States foreign policy, conserve the valuable time of Cabinet officers and other officials, and eliminate duplications of effort. To this argument it was objected that the large size of such a joint committee would make the questioning of witnesses tedious and difficult and that repetition

⁴¹Section 13. Ibid., p. 11.

of testimony was not necessarily objectionable, i.e., it would give emphasis to certain ideas and thus be educational. Most of the opposition to joint hearings arose in the House, where there was more opposition in general to foreign aid. Furthermore, certain Republican leaders feared the beneficial results which might accrue to Senator Vandenberg in presiding over joint hearings. Reportedly, there was competition behind the scenes by the two committees for prominent witnesses.⁴²

Ninety-eight witnesses appeared before the Senate Foreign Relations Committee during the course of its hearings on the recovery bill. Appearing for the Administration were Secretary of State Marshall, Ambassador to Great Britain Lewis W. Douglas, Secretary of Commerce Harriman, Secretary of Agriculture Anderson, Secretary of Interior Krug, Secretary of Treasury Snyder, Secretary of Defense Forrestal, Secretary of the Army Kenneth C. Royall, and William McChesney Martin, Jr., Chairman of the Board of Directors of the Export-Import Bank. Although not a part of the Administration, John J. McCloy, President, and Eugene Black, Executive Director, of the International Bank for Reconstruction and Development, proved to be valuable witnesses for the Administration bill. In addition to the witnesses appearing in person, nineteen individuals or groups submitted statements for insertion in the record of the hearing.⁴³

One hundred witnesses testified before the House Foreign Affairs

⁴²New York Times, January 5, 1948, p. 4.

⁴³Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Parts 1 and 2.

Committee during its hearings on foreign aid legislation. Included were thirteen representatives of the Administration who appeared on behalf of particular aspects of the recovery legislation. A matter of controversy surrounding the House committee hearings was the determination by the House Republican leadership and the Republican majority on the Foreign Affairs Committee to conduct hearings on all aspects of foreign aid, including, in addition to ERP, aid to Greece, Turkey, and China. This move was opposed unsuccessfully by the Administration and by committee Democrats, who maintained that such a procedure might result in failure to meet the April 1 deadline for enactment of ERP. Not only did the Administration wish to prevent an interruption of the flow of recovery materials to Europe, it also urged enactment of the recovery program by April 1 in order to give psychological support to the Italian Government, which faced a critical challenge from the Communists in elections to be held on April 18. At the same time, it was the desire of the Administration to keep ERP free of any relationship to military assistance. The Greek-Turkish program included both military and economic aid. The China aid program, initiated reluctantly in consequence of Republican pressures, initially included only economic features. Before emerging from the committee, however, it also contained provisions for military assistance.

Administration officials appearing before the Foreign Affairs Committee in the course of its prolonged hearings included Secretary of State Marshall; Assistant Secretary of State Willard L. Thorp; State Department Legal Adviser Ernest Gross; Ambassador to Great Britain Douglas; Secretary of Defense Forrestal; William L. Clayton, Adviser to

the Secretary of State; Secretary of the Army Royall; Secretary of Treasury Snyder; Secretary of Commerce Harriman; Secretary of Agriculture Anderson; and Secretary of Interior Krug. In addition to the witnesses appearing personally before the committee, some forty-five individuals or groups submitted statements for insertion in the printed record of the hearings.⁴⁴

Administration witnesses appeared first before both committees and were then followed by the private individuals and groups. No apparent effort was made by either committee to prevent a full expression of the various points of view on foreign aid. Proceedings before the Senate committee were conducted more systematically than were the hearings before the House committee, where proceedings often were mired by the enthusiasts of China aid and other detractors of the Administration and the State Department in a bog of partisan controversy. A greater evidence of bipartisanship was displayed by members of the Senate committee; indeed, one would almost conclude that the term was not in the lexicon of the House committee membership. Further, there clearly was a greater compatibility with "internationalism" among members of the Senate committee than among the House group. A much closer affinity with the State Department and understanding of its problems was demonstrated by members of the Foreign Relations Committee. Ironically, a more detailed and searching examination of the proposed legislation was conducted by the Foreign Affairs Committee than by the Senate group, perhaps because it was enjoying the novel experience of

⁴⁴House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Parts 1 and 2.

being cast in a role as an equal to its traditionally more powerful Senate counterpart.

Senator Vandenberg exercised full control of the proceedings before his committee, as was his custom. He was a frequent interrogator of witnesses and did not permit proceedings to falter or wander afield. Although committed to the basic policy embodied in ERP, Vandenberg possessed fixed beliefs in respect to its administration and was responsible for the eventual plan of administration included in the legislation.

Chairman Eaton, on the other hand, quite frequently delegated the charge of proceedings to one or the other of his lieutenants and departed the hearings. At one point he commented about his plan of a "rotating chairmanship" for the committee, whereby his younger colleagues could gain experience in presiding.⁴⁵ Mr. Eaton seldom questioned a witness and, in fact, only infrequently commented, except in a jocular vein. His feelings could be made quite explicit, however, as in the case of an exchange with Representative Herter (R., Mass.) on the first day of hearings, regarding Herter's proposed bill for European reconstruction.⁴⁶ The elderly chairman obviously did not appreciate the notoriety gained by Herter through the mechanism of the Select

⁴⁵ Ibid., Part 1, p. 659.

⁴⁶ Eaton told Herter that after reading Herter's proposed bill he concluded that it "abolishes the Foreign Affairs Committee of the House . . . and the executive department and establishes a super-duper organization of Government such as has never existed before . . ." He wondered " . . . what constitutional powers are still left to control it or govern it?" Further needling Herter, Chairman Eaton inquired if Herter's plan for a corporation to administer ERP would work "just as well if the President was a Republican?" Ibid., pp. 13-14, 19.

Committee on Foreign Aid.

Proceedings before the House committee were undisciplined in comparison to the conduct of business before Senator Vandenberg's committee. Throughout the hearings, members of the House committee were in and out of the hearing room answering roll calls on the floor of the House. Often there would be only one or two members present to interrogate important witnesses. On at least one occasion, the questioning was delegated to Dr. W. Y. Elliott, chief of the committee professional staff.⁴⁷ There was no question of Dr. Elliott's competence; yet staff personnel do not elicit responses from administrators similar to the reactions generated by questions or requests directly from legislators themselves. As was the case with regard to Greek-Turkish aid legislation, a greater sense of urgency and of American responsibility was exhibited by the Senate committee than by the House committee.

The decision of the House Republican leadership and the Republican majority on the Foreign Affairs Committee to conduct an all-inclusive hearing on foreign aid was justified on the ground that Congress had been confronted with a series of foreign aid crises with no opportunity to view the overall aid requirements.⁴⁸ There was merit to

⁴⁷ Ibid., pp. 556-561.

⁴⁸ Ibid., Part 2, pp. 1555-1567. The emphasis on a "comprehensive" approach to postwar American foreign policy was calculated to impress upon the public in an election year the capabilities for leadership of the Republican Party. Advocates of China aid argued that it was inconsistent to oppose Communism in Europe while seemingly encouraging it in China. Arguments of the Administration that the two situations were quite different were unimpressive to a public which based its judgments primarily on moral grounds. To avoid embarrassment and to prevent undue delays in passage of ERP, the Administration reluctantly agreed to a measure containing provisions for China aid. New York Times, February 8, 1948, E3.

this argument, yet the insertion of the Chinese embroglio into the European aid hearings could serve only to further confuse the aid picture. With regard to China, the Administration obviously was in a dilemma, yet to attempt a solution of this problem while meeting the European crisis possibly could lead to a weakening of the total American effort in both areas. It was suspected that there was more than mere coincidence in the injection of the China aid problem into the consideration of European recovery legislation. With the 1948 Presidential campaign beginning to gather momentum, the Republicans could expect only to gain through an expose of United States policy in China, because as each day passed the ability of the United States to influence events in that country decreased, however much this may have been contrary to the wishes of the Administration.

The Administration witnesses appearing before the committees, of course, supported the ERP. Each, in general, appeared for the purpose of presenting and elaborating upon a particular aspect of the program. Secretary Marshall presented the program in its broad outline and scope. Ambassador Lewis W. Douglas served the Administration admirably with his knowledgeable presentation of the program in its most minute details. Mr. Douglas had been recalled from London specifically to perform the role of State Department liaison with Congress during consideration of the ERP legislation. A highly successful businessman and former member of Congress, he made a significant contribution to the acceptance of ERP by Congress. Not infrequently did he receive the praise of committee members for his comprehensive grasp

of the program, from broad principles to specific details.⁴⁹

As the hearings got under way, it began to appear highly probable that a European Recovery Program in some form would be reported favorably to the respective Houses. This was evident from the tenor of questions addressed to witnesses and from the overwhelming support given to the proposal from non-Government witnesses appearing before the committees. This is not to say, however, that the legislation would be reported in the same form as introduced, since its support derived from varied sources. It was to be expected that there would be efforts to incorporate certain features into the legislation as manifestations of this variegated support. It was just as certain that there would be efforts to kill or cripple the recovery legislation. It was the task of the Administration and its Congressional allies to protect the measure against crippling amendments, whether proposed by friends or by enemies. Senator Vandenberg undeniably proved to be the Administration's greatest friend in Congress, in respect to this task.

Every shade of opinion on the political spectrum was represented among the private witnesses appearing before the committees. If these

⁴⁹House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, pp. 190-191. In his appearance before the Senate Foreign Relations Committee, Secretary Marshall indicated that Ambassador Douglas had been his closest and most valuable adviser on ERP. As evidenced by his fielding of questions asked by members of both committees, Douglas had acquired an unusually thorough knowledge on the subject in a very brief time. During much of this time, the Ambassador "commuted" from his London post. At one point, Senator Lodge referred to Ambassador Douglas as the "general manager of the enterprise" of steering ERP through Congress. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 55, 68.

persons and the groups whom they represented could be assumed as being representative of the American public, there was little question as to the broad general support of ERP. The detailed knowledge exhibited by many of these witnesses in regard to the proposal was gratifying. Not so gratifying was the obvious effort of some to benefit materially from the recovery program while professing genuine, unselfish support.

On review, there appears to have been scarcely any aspect of the proposed recovery bill which escaped close scrutiny during the course of the hearings. A multitude of inquiries were propounded. Although many of such queries were in the nature of rhetoric, it was in their resolution that Congress was to make its imprint not only on the final character of the recovery program but also on the course of postwar American foreign policy.

The basic question to be resolved was that of the course of American foreign policy in the coming years. The United States could assume either an active, responsible role in world affairs or it could retreat once again into the assumedly protective shell of isolation. The hearings and debates on ERP demonstrated that isolationism was not defunct, although in some respects its outward manifestations had altered. Many of the postwar isolationists hurled insults at all things strange or foreign, urged that the United States remain aloof from "entangling alliances", that it not destroy its abundance by extravagant "give-aways" to undeserving and ungrateful foreigners, and that it build up an armed force so powerful as to intimidate any pretender to world power.⁵⁰

⁵⁰ Those who opposed the economic aid program yet strongly urged the strengthening of American armed forces might more properly be

Subsidiary issues raised concerned the contents of the legislative vehicle utilized hopefully by the Administration in giving substance to the principles of the nation's postwar foreign policy. Basic in this regard were questions directed toward the necessity for the recovery program, the amount of such aid to be rendered, and the duration of American assistance. Those who disagreed with the necessity for assisting Europe in its recovery efforts attempted either to achieve a decrease in the amount of aid or to limit the United States commitment, or both, after the failure of more overt efforts to defeat the proposal in its entirety. Proponents of the Administration bill urged that at least four years would be required for Europe to regain the economic ground lost because of the war and the natural calamities following in its wake. Their contention that at least \$17 billion in aid would be needed during this period, with a minimum of \$6.8 billion needed during the first fifteen months, was never refuted successfully by the opposition. Of course, the opposition did not possess the technical capability for amassing data in support of its position comparable to that of the proponents of the recovery program. Frequent allusions were made to the overwhelming nature of the Administration's supporting data, not all of which were complimentary.⁵¹ Isolated efforts to refute

described as "militant nationalists". Even while maintaining that ERP and similar programs would bankrupt the United States, they called for the spending of similar magnitudes on the re-building of America's military might. Although in most cases they took umbrage at being termed "isolationist", they were in effect advocating a "go it alone" policy. Scattered among this opposition group was a minority element composed of liberals who sincerely protested that the money could "best be spent at home". Congressional Record, XCIV, Part 3, 3312, 3321, 3419, 3423, 3437, 3439, 3443, 3451, 3513.

⁵¹Secretary Marshall was apprehensive that so much data had been accumulated and disseminated that it might actually prove more confusing

this data, however, sometimes were the objects of ridicule.⁵² This is not to say that the Administration's positions on various questions were irrefutable or that they escaped serious scrutiny. But, in the end, the almost year-long study and preparation devoted to the problem of European aid produced the intended results.⁵³

The political wisdom of including in the ERP bill a definite overall aid commitment in money terms was challenged by Senator Vandenberg even before the legislation was presented to the Congress. He insisted that the Congress would never approve the bill so long as this

than informative. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, p. 71. Senator Vandenberg, although highly laudatory regarding the Administration's documentation of its case for ERP, recognized the physical impossibility of the assimilation or substantiation of this data by his committee or by an individual member of Congress. The knowledge that the Administration's data and recommendations had been studied and approved in general by the Harriman Committee was quite reassuring to Senator Vandenberg and to other members of Congress. Ibid., p. 96.

⁵²Senator Taft's recognized intellectual abilities and his position of leadership among Senate Republicans did not deter a scathing description by fellow Republican Senator Morse (Ore.) of Taft's recommendation for a drastic cut in the ERP authorization as mere "guess-work". Congressional Record, XCIV, Part 2, 2654-2655.

⁵³In its report to the Senate, the Foreign Relations Committee declared that it ". . . was greatly impressed with the thorough documentation which was available during its examination of the European recovery program. It is probable that no legislative proposal coming before the Congress has ever been accompanied by such thoroughly prepared documentary materials" U. S., Senate, Committee on Foreign Relations, A Bill To Promote the General Welfare, National Interest, and Foreign Policy of the United States through Necessary Economic and Financial Assistance to Foreign Countries Which Undertake To Cooperate with Each Other in the Establishment and Maintenance of Economic Conditions Essential to a Peaceful and Prosperous World, 80th Cong., 2nd Sess., 1948, Report No. 935, to accompany S.2202, p. 4, in Senate Miscellaneous Reports, I (Washington: U. S. Government Printing Office, 1948). Cited hereafter as Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program.

specific sum (\$17 billion) was retained. Vandenberg urged, instead, general language committing the United States to a four year program so long as the participating countries adhered to the pledges they had voluntarily undertaken. He maintained that one Congress could not bind a succeeding one, except in a moral sense, and that it would be disastrous to the program and to American foreign policy to extend a promise to the European countries that might not be fulfilled. Although viewing the sum of \$17 billion as completely necessary and realistic, he thought the Administration's objective could be secured more easily by first obtaining Congressional acceptance of the necessity for United States assistance to European recovery, which would in itself constitute a recognition of an implied obligation to continue assistance for at least the four years generally considered essential for the achievement of a successful recovery program.⁵⁴

Senator Vandenberg also was concerned that the economy-minded Eightieth Congress might not accept the requested \$6.8 billion appropriation for the initial fifteen months of the recovery program. When it appeared that sentiment for decreasing the requested sum was gaining adherents, Vandenberg devised a plan providing for an appropriation of \$5.3 billion during the initial twelve months of the program. To gain acceptance of this scheme, which involved no real

⁵⁴Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 54-55. Due to the absence from Washington of Secretary Marshall, the decision to eliminate the request for a specific \$17 billion authorization was made by Under Secretary Lovett, after consultation with the President and the affected Executive branch agencies. Attempting to prevent possible embarrassment to the Administration, Lovett initially had attempted to dissuade the President from including the \$17 billion sum in the ERP authorization measure, but had been unsuccessful. New York Times, January 7, 1948, p. 4.

reduction in the requested appropriation, he emphasized that by making the appropriation for only twelve months, Congress thereby would have an opportunity to review the program at an earlier date.⁵⁵

Those who questioned the necessity for assistance to European recovery posited, in their expressions of doubt, possible alternatives for United States action (or inaction). Did Europe's current crisis result directly from the war or did it reflect a malaise that had its beginning even prior to the outbreak of that devastating holocaust? Did the resolution of this crisis require vast outpourings of America's treasure or could the Europeans do more for themselves? Should capitalistic, free-enterprise America endanger its own economy to buttress the crumbling socialistic edifices in Europe? Would not these countries ultimately become Communist despite United States assistance? Was not Europe's problem largely a result of the machinations of the Soviet Union? Should not the United States face the main threat directly and devote these vast funds to the strengthening of its armed forces? Why fatten the golden calf for the Soviet bear, which could move at will in Europe?⁵⁶

From the inception of the planning for the European Recovery Program the Administration insisted that the United States would assist Europe only in helping itself. It was urged, however, that this govern-

⁵⁵New York Times, January 28, 1948, p. 1; Ibid., February 15, 1948, pp. 1, 29.

⁵⁶Such questions represented the isolationist viewpoint as expressed by former New York Congressman Hamilton Fish. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 3, 1396-1400.

ment should not attempt to dictate the exact procedures by which the common goal of European recovery was to be attained in each of the participating countries. Instead, it should be sufficient to set forth certain broad goals in the enabling legislation, the attainment of which should make the participating countries independent of "abnormal" outside economic assistance at the end of the program. Bilateral agreements between the United States and each participant would contain more specific pledges on the part of the participant, as a condition precedent to the receipt of assistance, to signify its adherence to the purposes of the program. These broad goals and the specific pledges, as set forth in the Administration bill, generally embodied the pledges previously adhered to by the participants in the CEEC Report, issued the previous year. Opponents of the ERP focused their attacks upon these provisions of the bill. The Administration and its supporters appealed against the legislation of humiliating, unrealistic, or impolitic conditions upon American aid which might nullify the objectives of the program.⁵⁷

⁵⁷Secretary Marshall, in his opening testimony to the Foreign Relations Committee, told the group that ". . . We must always have in mind that we are dealing with democratic governments of sovereign nations . . ." He urged that there could not be conditions placed on American aid ". . . which would, in effect, destroy the whole moral justification for our cooperative assistance toward European partnership." Ibid., Part 1, p. 6. Many suggestions were advanced as conditions of American assistance. There were many demands for strict accounting and supervision of aid rendered as well as for a foolproof system for publicizing the source of the aid. An effort was made to require the participating countries to demonstrate progress toward political or economic union as a condition of aid. The State Department was pressed for reasons why the United States should not secure foreign military bases in return for economic assistance. Many Congressmen did not accept the argument that to demand immediate repayment of United States assistance would negate the recovery effort. As

The question of who should be eligible for assistance under the recovery program was a matter of extreme delicacy for the Administration, because of the growing American-Soviet dichotomy. If the aid legislation were to include any "anti-Soviet" overtones, it would be extremely vulnerable to Soviet propaganda in Western European countries, the theme of which was that the United States through its aggressive and unilateral policies was leading the world relentlessly toward an inevitable World War III. A war-devastated Europe was highly susceptible to such propaganda. On the other hand, Congress and the American public increasingly were becoming militantly more "anti-Soviet" and "anti-Communist".⁵⁸ It was no easy task to devise arguments for

anti-Russian sentiment increased in the United States, there were efforts to require that participating countries cease trading with the Soviet Union and the Eastern European satellites. Repayment of American assistance with critical raw materials was demanded by many--both supporters and opponents. If the efforts of several Congressmen had been successful, the recipient governments would have been required to pledge the cessation of further nationalization and socialization measures. Ibid., Part 1, pp. 36, 62-63, 203, 228, 290, 330, 368, 393, 483; Ibid., Part 2, pp. 570-580, 617-618. House Foreign Affairs Committee, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, pp. 174, 187, 228, 232, 238, 260-262, 339, 343, 443, 480, 483-484, 487-489.

⁵⁸ An April, 1948 Roper poll in England, Sweden, Switzerland, France, and Italy, on European attitudes regarding the underlying motivations of the Marshall Plan, showed a majority of the respondents in each of these countries, with the exception of England, expressing the view that an American desire to prevent Europe's going Communist was the basic reason for the plan. A large group in each country thought the plan was motivated by an American desire to build friendships in case of war with the Soviet Union. Roper, pp. 182-183. A February, 1948 Gallup survey found 77 percent of its American respondents thinking the Soviet Union was attempting "to build herself up to be the ruling power of the world." Almond, p. 95. In June, 1948, a Fortune survey found small majorities favorable to the dispatching of American armed forces to France, Italy, Greece, and Turkey, if this should be necessary to prevent absorption of these countries into the Soviet orbit. Ibid., p. 99. On returning from a European tour in February,

keeping ERP open to all European countries, including the Soviet Union and its satellites, and for maintaining at least a semblance of normal economic and political relations with a government openly antagonistic toward the recovery program and the United States. It was equally difficult for the Administration to urge that the recovery program be left open to any European country adhering to the objectives of the program and simultaneously oppose a concerted effort, led largely by Republicans, to include Spain as a participating country. As anti-Russian and anti-Communist fervor mounted, particularly after the Communist coup in Czechoslovakia in February, 1948, Administration efforts to preclude the injection of this bias into the ERP legislation evoked charges against it ranging from mere stupidity or appeasement to unqualified treason. The Yalta and Potsdam Agreements generated partisan strife during the Foreign Affairs Committee hearings as well as in the House debate. Neither subject was mentioned in the Senate committee hearings.⁵⁹

1948, United Nations' Secretary General Trygve Lie said he had found a "general fear of war" in Europe. New York Times, February 12, 1948, p. 18. For European Communist efforts to keep fears of war aroused among the working population, see Ibid., March 31, 1948, p. 4.

⁵⁹Although Secretary Marshall, early in the Senate hearings, accused the Soviet Union and European Communist parties of employing economic distress to further selfish political ends, he would not be led into the advocacy of other than economic solutions for Europe's problems. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 3-4. Marshall told Congressman Karl Mundt, who was pressing for an explanation of continued trading with the Soviet Union, that ". . . our position . . . is that we have to be very careful that we do not upset ordinary trade relations which we desire, in order to stabilize the general situation. These are very pertinent considerations, whereas some of the proposals for termination of dealings with the Soviet Union would accomplish almost nothing except a profound irritation." As Secretary

Another issue during the hearings was the form of the proffered American assistance. Should the main burden be shouldered by the American taxpayer, or should the European countries be assisted primarily through loans and other credits? The Administration contended that European credit was exhausted, hence the necessity for the recovery program. Assistance would be extended on terms of repayment whenever possible, but hopes that a large part of the costs of the recovery program would be repaid eventually were discouraged. American repayment would be manifested, if the program proved successful, in trade with a revitalized Europe and world.⁶⁰ This aspect of the problem also involved the total amount of funds to be authorized and appropriated by

of State, Marshall said he had ". . . endeavored to develop a basis of negotiation toward some reasonable settlement in all these matters. It is a very simple matter to break off negotiations, but it is a very serious thing to do it." House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 2 pp. 1559, 1561. When the Yalta and Potsdam accords were brought into the discussions, Marshall defended the agreements, maintaining that the primary difficulty being encountered currently was that ". . . of having people act in what we think is good faith with relation to those agreements." Ibid., p. 1567. Congressman Walter Judd had precipitated this response with the declaration that the Yalta agreements were the source of the "mess" in which the United States found itself. Ibid. Following the delivery of a message by President Truman to a joint session of Congress on March 17, in which he again urged speedy Congressional action on ERP, the Chicago Tribune denounced Truman as the "most inept and incompetent President this country has known" Secretary Marshall was described as ". . . the worst blunderer ever to occupy the office of Secretary of State" Senator Vandenberg was termed ". . . that other monument of unfitness." New York Times, March 18, 1948, p. 4. Similar sentiments were echoed in the ERP debates.

⁶⁰Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 65-66. See Ibid., Part 2, p. 547, for support of the Administration's position by John J. McCloy, President of the International Bank for Reconstruction and Development.

Congress. This was not determined finally until Congress had acted on the appropriation measure by which ERP would be implemented. There were many alternate schemes propounded, each of which was designed to reduce the amount of money required to be appropriated. Proponents of these plans argued that the original estimates had been inflated by either the Europeans or the State Department, or both; that the Europeans were not in as dire need as had been advocated; that private financial sources were not being given an opportunity to participate; that existing international agencies, such as the International Bank for Reconstruction and Development, could extend more assistance in the situation; that other Western Hemisphere countries could contribute more to European recovery than was being contemplated; that the European countries possessed billions of dollars in hoarded gold and dollars and that their citizens possessed billions of dollars in investments in the United States which could be utilized in the recovery program.⁶¹

With regard to the administration of United States assistance to European recovery, the Administration urged that:

. . . an effective organization must, as its paramount requirement, be granted flexibility both in its programming operations and in the use of the funds placed at its disposal. The organization must operate in harmony with United States foreign policy. It must function during the life of the program with the continuity of policy essential to orderly progression toward recovery in Europe. It must command the respect and confidence of the American people.⁶²

⁶¹Ibid., Part 1, pp. 30, 223-224, 291-293, 390-396, 516-518, 520-521; Ibid., Part 2, pp. 549, 712. House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, pp. 135-136, 182, 416-417.

⁶²Senate Committee on Foreign Relations, Outline of European Recovery Program, p. 55.

Only through flexibility could United States support be kept responsive to changing conditions in Europe and to variable supply situations. At the same time, flexibility in operations would permit encouragement of maximum self-help and mutual help in Europe, insure the most effective use of American assistance and minimize its impact on the United economy. The Administration intended that normal trade channels would be used to the greatest extent practicable, but if Government procurement were necessary the facilities of already-existing agencies would be used. In fact, existing agencies would be used wherever possible throughout the program.⁶³ The Administration insisted that foreign policy aspects of the program must be controlled and directed by the State Department. Since the program was very deeply involved in foreign policy, this meant that the State Department would "participate actively" with the Economic Cooperation Administration in the formulation and execution of the program.⁶⁴ In making loans or grants,

⁶³Ibid., pp. 55-56.

⁶⁴Ibid., p. 56. Early in the Senate hearings, Marshall pointed out that there "cannot be two Secretaries of State" He told the committee that he had argued against the contention of some persons within the Administration that ECA should be made a section of the State Department; however, he had concluded after considerable study that the Secretary of State should have both the direction and control of foreign policy under the ECA bill. He insisted that the State Department had neither the desire nor the capability to operate the recovery program. Senator Vandenberg did not disagree that the Secretary of State should have complete control of foreign policy; however, he insisted that the "economic side of the enterprise" should be in the hands of the Administrator. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 9, 16-17, 155-156, 166-192. The basic question involved in this controversy was who would determine which functions "affect" foreign policy--the Secretary or the Administrator. Marshall thought that as much as 80 percent of the Administrator's activities would have no bearing on foreign policy, yet the Secretary of State must, in his opinion, be free to

and in determining whether in a given situation aid should be in the form of a loan or a grant, the Administrator would be required to consult with the National Advisory Council, composed of top Cabinet officials.⁶⁵ Although the ECA Administrator would exercise "management control" of the program, the actual procurement, transportation, and related operations would be performed by existing Government agencies. It was intended that the operating policies of ECA and the European Recovery Program be coordinated with the related activities of certain other Government agencies. For example, European requirements would have to be appraised in relation to United States and world resources, to the competing demands on these resources, and to the impact on domestic policies and programs. Sharing responsibilities in these areas were the Treasury Department, Agriculture, Commerce, Interior,

determine those instances where he must either take the initiative or disapprove a contemplated act of the Administrator. Under the bill as written, the Administrator still would be authorized to carry disputes to the President. This was not satisfactory to those who maintained that there should be a clear delineation between the "business" and "foreign policy" sides of the enterprise. House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, pp. 45-51. That most of the pressure for an administration of the recovery program "independent" of the State Department came from Republican sources led to speculation that this was an attempt by the Republican Party to become identified with the program in a constructive sense even though remaining free to be critical. New York Times, January 6, 1948, pp. 1,13; Ibid., January 11, 1948, E3. The original plan of administration was drafted by an interdepartmental committee and revised by the Bureau of the Budget. Reportedly, the final plan was unsatisfactory to several State Department officials, including Under Secretary Lovett, but received the President's approval. House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, p. 52; New York Times, February 12, 1948, p. 22.

⁶⁵Senate Committee on Foreign Relations, Outline of European Recovery Program, p. 56.

Army, Labor, and others. Exports would continue to be controlled by the Commerce and Agriculture Departments. The Administration viewed functions in Europe under the program as of both a technical nature and a broader, political, nature. As such, these activities would be "essentially an extension of the conduct of the relationship of the United States to the participating country concerned" Therefore, and in order to maintain a

single channel of responsibility for United States negotiations with other governments, all operations in individual countries . . . should be placed within the embassies, and subject to the general supervision of the ambassadors.

In each major participating country, there would be a "chief economic cooperation officer", under the ambassador. They would report to the ECA through State Department communications channels, with copies sent to the ambassador, State, and other agencies as appropriate. Likewise, instructions to these officers would come from ECA through State Department communications channels. On all matters affecting foreign policy, State Department views would be expressed. The Special United States Representative for the ERP would report jointly to the ECA and the State Department and receive his instructions jointly from these agencies.⁶⁶

The essence of the opposition to the plan for administering ERP

⁶⁶Ibid., pp. 56-57. The original plan of administration was objectionable to the Republicans (and to some Democrats) also on the grounds that the European representatives of ECA would be subservient to the State Department. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 150-160, 173-184. See also New York Times, January 6, 1948, pp. 1, 13.

lay simply in the fact that it was "tied" too closely to the State Department. At this time, State was being subjected to increasingly severe attacks from many sources: from the isolationists who wanted no part of foreign aid, from the China "lobby" for State's alleged desertion of Nationalist China, from the anti-Communists for its alleged appeasement of Soviet Russia, and from the Communists and their sympathizers for an alleged undeviating antagonism toward the Soviet Union.⁶⁷ In addition, ERP did possess certain characteristics of a business operation, even though it had been designed primarily as a tool of United States foreign policy. Thus, conservatives in general and business or business-oriented groups challenged the ability of the State Department to execute effectively a "business" program such as ERP. These groups charged most frequently that with State Department direction of the program all "sound" principles of business and economics would be disregarded in any conflict with State's estimation of the proper course of United States foreign policy. Previous aid programs, involving billions of dollars, were described as evidence of the State Department's inability to direct and control an enterprise as massive and potentially dangerous to the domestic economy, as ERP.⁶⁸

The Administration concurred that ERP did possess certain

⁶⁷House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, pp. 652, 682-683, 1075; Ibid., Part 2, pp. 1433-1439, 1581-1625, 1678-1680, 1697-1702, 1796, 1898.

⁶⁸E.g., see testimony of Henry J. Taylor, author and journalist, before Senate Foreign Relations Committee, Hearings on United States Assistance to European Economic Recovery, Part 2, pp. 779-800.

"business" characteristics. Senator Vandenberg agreed that there could not be "two Secretaries of State". He argued, however, that for there to be any hope of a successful outcome to this foreign aid venture the Administrator could not be hamstrung as provided in the Administration bill. Not at all satisfied, he engaged the Brookings Institution to perform an independent study of the administrative aspects of the recovery program, with instructions that it make its own recommendations as to the most appropriate administrative mechanism for ERP.⁶⁹

Because of the so-called "business" characteristics of ERP, a considerable amount of sentiment developed for organizing the aid program under a corporate form of administration, obviously because of the association of this type of management with the successes of the American free-enterprise system. During the hearings, several variants of the corporate form were proposed. The plan receiving the most Congressional support was advanced by Congressman Christian A. Herter (R., Mass.), who had been the active head of the House Select Committee on Foreign Aid. Possibly because of the rivalry between Chairman Eaton, of the Foreign Affairs Committee, and Herter, the latter's plan did not receive serious consideration as an alternative. Herter's plan suffered, also, because it would have removed ECA from the direct control of both the President and State Department and placed it under a bipartisan board, with coordination by a Cabinet group. Another obvious failure of the Herter plan was its reliance on assistance primarily through loans from sources other than

⁶⁹Ibid., Part 1, p. 74.

appropriations. In short, it was "relief-oriented" rather than "recovery-oriented".⁷⁰ Congress could not consistently approve another relief program while maintaining its desire to bring such programs to an eventual end through better planning, organization, and utilization of United States foreign assistance.⁷¹ Unfortunately for the Herter plan, also, was Mr. Herter's association with an effort to create a special joint Congressional committee to oversee the administration of United States assistance. Powerful interests in the House were offended by this proposal inspired by the Harriman Committee and supported by Senator Vandenberg who, for tactical reasons, suggested Herter as its logical head.⁷²

In such an undertaking as the prospective recovery program, a basic issue to be resolved related to the effect of the program on the domestic economy and natural resources of the United States. Much

⁷⁰U. S. Senate, The European Recovery Program: Basic Documents and Background Information, pp. 132-135.

⁷¹This was one of the declared reasons for the decision by the House majority leadership to have its Foreign Affairs Committee embark on a comprehensive study of the foreign aid problem rather than confine its inquiry to ERP. House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, p. 90; Ibid., Part 2, pp. 1555-1559.

⁷²Herter had created a certain following for his position in the House. Although his plan was less generous than that of the Administration, Herter was committed to the aid principle. Reportedly, he worked closely with Senators Vandenberg and Lodge during the formative stages of the ERP bill. Several of Herter's ideas were incorporated into the Senate version of ERP, at the urging of Lodge. To curtail Herter's opposition to the recommended ERP appropriation, Vandenberg urged Herter's appointment as chairman of the aid "watchdog" committee. Although Speaker Martin was agreeable to this proposal, Chairman Taber of the House Appropriations Committee and Chairman Eaton of Foreign Affairs scathingly denounced the proposed intrusion into the preserves of their standing committees. New York Times, February 16, 1948, pp. 1,3; Congressional Record, XCIV, Part 3, 3851-3852.

of the data accumulated by the Administration was intended to buttress its contention that the recovery program might have some minor ill-effects on the domestic economy but that the program was absolutely essential if this country were to enjoy a healthy economy in the years ahead. If Europe were to be left in economic desperation then ultimately this deleterious situation would engulf the United States and the world. Economic chaos in Europe would eventuate in political chaos and totalitarian solutions. In such a world, the economic and political freedoms enjoyed in the United States might of necessity have to give way to some form of regimentation.⁷³ Opponents argued, on the other hand, that even in the short-term period the program would lead to economic and ultimately to political controls. Doubts were expressed that American resources were sufficient to fulfill the requirements of European recovery without causing the American people to undergo extreme sacrifices.⁷⁴ In general, organized American labor expressed a more optimistic outlook regarding America's ability to undertake the aid program than did American business and industrial interests appearing before the Senate and House committees. This is especially interesting, in view of Communist charges that the program was a Wall Street conspiracy to colonialize the participating European countries. In fairness to American business, however, it should be

⁷³Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 4-5, 10, 36, 56-67, 245-249, 256, 275-276, 354-357, 409, 444.

⁷⁴Ibid., pp. 56-57. Although not opposed to the principle of European aid, former President Hoover expressed several reservations, among which was the fear that the program would accelerate inflation and drain America's natural resources. Ibid., Part 2, p. 708.

pointed out that the vast majority of their representatives endorsed the recovery program, in varying degrees of enthusiasm and with varying recommendations for conditions to be placed on American aid.⁷⁵

It was not unexpected that certain interests would view the recovery program as a means for the enhancement of their own situations. Thus the committees were subjected to the entreaties of the shipping interests, the seamen and their friends in organized labor generally, and the freight handling organizations, to eliminate the provisions from the bill authorizing the charter or sale of Government-owned merchant vessels to the participating nations. The Administration maintained that since the United States had an excess of such vessels to its needs, a large savings could be realized by transferring a number of these vessels to the participating nations for transporting aid materials. The shipping interests and organized labor stoutly objected to this reasoning, maintaining that this would not only give the Europeans a preference in the lucrative hauling of aid materials, but also

⁷⁵Also, labor representatives tended generally to place less emphasis on the conditions to be placed on American aid, to urge prompt enactment of the ERP legislation in at least the amount requested, and to stress the economic aspects of the problem confronting Europe. The American Federation of Labor expressed a more nationalistic view than did the Congress of Industrial Organizations and its affiliated unions. Although the Communist Party (USA) was not represented personally before either committee, it submitted a statement in which it denounced the program. Former Vice President Henry A. Wallace, who appeared before the House committee in a very hostile setting, expressed views at little variance from the Communist position. See statements of Harvey W. Brown (International Association of Machinists), William Green (AFL), James B. Carey and Phillip Murray (CIO), Walter Reuther (United Automobile Workers-CIO), in Ibid., Part 2, pp. 724-727, 833-836; Ibid., Part 3, pp. 1297-1304, 1386-1395. For statement of Wallace, see House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 2, pp. 1581-1625.

would release European vessels for an intensification of the competition with American shipping in other areas of the world. The meager savings resulting from the proposed action could not justify the destruction of the American merchant marine and loss of employment for thousands of Americans. It was not denied that the American merchant marine existed in large part through Government subsidies because of its higher operating costs in relation to the merchant fleets of other countries and its resultant inability to compete successfully. The United States Maritime Commission, an agency of the Executive branch, intervened openly and vehemently in denouncing the charter and sale provisions of the Administration bill. It is testimony to the strength of the maritime industry to note that not only was this provision defeated but also the industry was given a preferred position in the transportation of recovery program supplies and materials.⁷⁶

Since food was of critical importance in the initial stages of the recovery program, the committees heard explanations of how European recovery and the food producing and processing industries simultaneously could be benefitted by the program's enactment. American agriculture had undergone a tremendous expansion during the war in meeting the requirements of America and its allies. Even in the postwar period production remained higher than normal because of world-wide food shortages. By 1948, however, the world-wide dollar shortage was causing surplus

⁷⁶Ibid., Part 1, pp. 912-919, 1096-1098, 1163-1170; Ibid., Part 2, pp. 1391-1400, 1821, 2004, 2265-2281; Senate Committee on Foreign Relations, Outline of European Recovery Program, pp. 91-93; Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 2, p. 836; Ibid., Part 3, pp. 1034-1038, 1211-1213, 1282-1287, 1302-1304.

problems in American agriculture. The European Recovery Program, therefore, offered a solution to the problems of surplus and continued high production. Appearing before the committees were representatives of the major agricultural organizations as well as related interests such as wool, tobacco, naval stores, fruit, and farm machinery.⁷⁷ Their missionary efforts were, for the most part, successful. It was interesting to note that less sympathy toward the problems of agriculture, food processing, the merchant marine, and other special interests was manifested by the House Foreign Affairs Committee than by its Senate counterpart. Nevertheless, the House friends of these special interests were much more influential than were their critics on the Foreign Affairs Committee.⁷⁸

It would be unfair to single out the agriculture and food processing industries and the merchant marine as being the only

⁷⁷ Agriculture Secretary Clinton P. Anderson candidly outlined the benefits to be realized from ERP by American agriculture, emphasizing the general importance of the European market to American farm products. He also frankly recognized that ERP was a blessing for certain areas of agriculture plagued with problems of surplus, such as tobacco and fruit. Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 1, pp. 303-324. H. J. Heinz II, president of the H. J. Heinz Co., urged "prompt enactment" of ERP. Ibid., p. 908. See also Ibid., pp. 928-933, 1115-1127, for support of the National Farmers Union, the American Farm Bureau Federation, and the National Grange.

⁷⁸ Although a supporter of ERP, Congressman John Vorys, of the House Foreign Affairs Committee, displayed little sympathy toward the importunings of the special pleaders appearing before that committee, usually bluntly informing such representatives of his sentiments. House Foreign Affairs Committee, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 1, p. 881. Another influential member of the committee, Minnesotan Walter Judd, was equally as candid. Although the sentiments of Vorys and Judd dominated in the committee report, they were overruled in the House itself. Ibid., p. 919.

interest groups who came before the committees with missions other than expressions of endorsement of or opposition to the recovery program. There were others, whose messages perhaps were more subtle. For example, if Congress had followed the recommendations of the National Association of Manufacturers the recipients of American aid would have been required to make "internal reforms" of an economic and political nature, as conditions of aid, which might have been interpreted as a renunciation of sovereignty. On the other extreme, any conditions in regard to the use of American aid were regarded by Henry Wallace, the Communists, and a few labor and ultra-liberal groups as patent attempts to dominate the economic and political lives of the recipient nations.⁷⁹

⁷⁹Although professing support for ERP and espousing "political and economic freedoms for the various peoples of the world", the NAM advocated that the ERP be administered by a corporation, composed of representatives from the major segments of the American economy, which would ". . . operate in a businesslike manner and with careful business safeguards" As conditions of American aid, the NAM would demand equal treatment for American businesses operating in the recipient countries, prohibit aid where "confiscatory" taxes were levied on United States exports or on the assets of United States nationals, require that aid recipients make all aid-related purchases in the United States or within the recipient countries, deny aid to countries where the property of United States nationals had been confiscated without "prompt" and "effective" compensation, prohibit the undertaking of further nationalization programs or projects which "destroy" or "impair" private competitive enterprise, guarantee existing enterprises autonomy from "detailed political control", extend aid to private enterprise rather than to governments, prohibit cartel arrangements, and eliminate all internal economic controls. Republican Senator Smith (N. J.) considered the NAM proposals an effort to impose the American economic system on the participating nations. Senator Tom Connally (D., Tex.) reacted indignantly to the NAM's emphasis on the "business" aspects of ERP and the necessity for conducting the recovery program on a "businesslike" basis "by businessmen", stating ". . . I don't like the idea of their segregating themselves off into a higher group with higher preferences and higher sense and more knowledge about all these public questions than the rest of us" Senate Committee on Foreign Relations, Hearings on United States Assistance to European Economic Recovery, Part 2, pp. 805-827.

The role to be played by Germany in the reconstruction program aroused much concern throughout the hearings and debates. The Administration contemplated an important role for Germany in the program. In fact, the disastrous effect upon European postwar reconstruction of the sick, truncated Germany had contributed significantly to the initial formulation of the Marshall Plan for European recovery. In the growing anti-Communist atmosphere of 1948, there were insistent demands from Congress, in particular from the House, that the Administration re-evaluate its German policies. There were demands for a cessation of the dismantling and reparations programs as being inconsistent with the overall objectives of European reconstruction. A planned transfer of occupation administration functions from the Army to the State Department was delayed because of Congressional opposition. The Administration had to balance its objectives of European reconstruction with other political considerations. Most importantly, it had to respect the general fears among Germany's neighbors of the possible threats inherent in German revival. Thus the Administration strongly maintained that its agreements regarding German dismantling and reparations not only would not hinder German or European recovery but instead would promote such recovery.⁸⁰ Any efforts by the United States to revive the German economy were expected to and did provoke bitter criticisms not only from the Communists but also from the

⁸⁰ A State Department memorandum was prepared on the subject of German dismantling and reparations in response to H. Res. 365, adopted by the House of Representatives on December 18, 1947. The lengthy memorandum was dispatched to Speaker Martin, Senators Vandenberg and Bridges, and Representatives Eaton and Taber, on January 24, 1948. Ibid., Part 1, pp. 497-503.

minority groups who had suffered most from Hitler's Germany. Among other charges arising from such quarters was that the Marshall Plan was merely an "extension" of the Truman Doctrine, a reference connoting the utmost opprobrium.⁸¹ The Administration had recognized the negative aspects of the Truman Doctrine and had endeavored to make compensations in the Marshall Plan. Its effort was not made easier by those supporters of the Marshall Plan who viewed it as a continuation of the policy announced in the Truman Doctrine. The Administration endeavored to dispel any impressions that the European Recovery Program was directed against the Soviet Union. The Administration's position was difficult to sustain, however, in view of the mounting pressures in Congress for increased arms expenditures, cessation of trade between the prospective beneficiaries of ERP and the satellite states of Eastern Europe and even between the United States and the Soviet Union, or for some form of military alliance between the United States and the recipient Western European nations. Even when expressed in the most sophisticated terms, the Soviet Union could not view with equanimity such manifestations of American sentiment.

Of the many groups represented before the two Congressional

⁸¹Henry Wallace described ERP as a "new version of the thoroughly discredited Truman Doctrine It will not fight hunger but perpetuate it. ERP will not promote recovery but indefinitely postpone it. ERP sets European living standards below prewar standards, while it seeks to revive Germany as the great industrial center of a European military bloc, and would restore the power of the European monopolists and landowners over the people of Europe. ERP would open western Europe to the control of Wall Street. It sidesteps and will destroy the United Nations. It would increase, not diminish international friction" House Committee on Foreign Affairs, Hearings on United States Foreign Policy for a Post-War Recovery Program, Part 2, pp. 1581-1582.

committees, and the numerous individuals representing only themselves, only a small minority expressed outright opposition to the recovery program. Even some of this opposition ostensibly could have been reversed by acceptance of certain conditions. For example, the groups appearing on behalf of Irish-Americans (and Irish unity) voiced their unalterable opposition to the program so long as Great Britain was a beneficiary.⁸² Even the American Communists proffered support for an aid program administered in its entirety by the United Nations.⁸³ During the hearings the following groups and individuals expressed opposition to ERP: Irish-Americans (several groups); George Weller, foreign correspondent, Chicago Daily News; William E. Knox, president, Westinghouse International Electric Corporation; George H. Earle, former Governor of Pennsylvania; Owen J. Roberts, former Justice of the United States Supreme Court; the Communist Party (USA); the National Union of Marine Cooks and Stewards (CIO); Henry A. Wallace, former Vice President of the United States; Ernest T. Weir, National Steel Corporation; William Glazier, International Longshoremen's and Warehousemen's Union; John B. Trevor, American Coalition of Patriotic Societies; the National Lawyers Guild; the Illinois Manufacturers' Association; the Committee for Constitutional Government, Inc.; and the American Labor Party. A few Congressmen also appeared in opposition to the program.⁸⁴ Although the opposition expressed by these

⁸²Ibid., Part 1, p. 984.

⁸³Ibid., Part 2, p. 1439.

⁸⁴Ibid., Part 1, pp. 984, 1075-1077, 1111-1117, 1223-1226; Ibid., Part 2, pp. 1354-1355, 1433-1438, 1538-1543, 1581-1582, 1678-1703, 2003-2004, 2105-2110, 2112-2123. Senate Foreign Relations

individuals and groups was based upon varied philosophical grounds, the most important point to be noted in connection with these opponents was the fact of their insignificant number--fifteen, as compared to the ninety-eight individuals speaking for themselves or for various organizations in overwhelming support of the European Recovery Program. In addition, several members of the House appeared before the Foreign Affairs Committee in support of the program.⁸⁵

Committee, Hearings on United States Assistance to European Economic Recovery, Part 2, pp. 933-935; Ibid., Part 3, pp. 1023-1026, 1106-1108.

⁸⁵ Expressing support of ERP were John J. McCloy, President, International Bank for Reconstruction and Development; Bernard Baruch; John Foster Dulles; Eugene Meyer, Chairman of the Board, The Washington Post; Charles R. Hook, President, American Rolling Mills Co., Middleton, Ohio; Dr. George F. Zook, President, American Council on Education; Mrs. Kathryn F. Stone, League of Women Voters of the United States; James F. O'Neill, National Commander, the American Legion; Ray H. Brannaman, Commander-in-Chief, Veterans of Foreign Wars; Ray Sawyer, American Veterans of World War II; Owen Root and Chet Patterson, American Veterans Committee; General William J. Donovan; Harvey W. Brown, International Association of Machinists; Mrs. Margaret F. Stone, National Women's Trade Union League of America; Luther Gulick, National Planning Association; Ralph McGill, The Atlanta Constitution; Robert P. Patterson, former Secretary of War; William Green, President, American Federation of Labor; Dr. Calvin B. Hoover, Dean, Graduate School, Duke University; Paul G. Hoffman and Wayne C. Taylor, Committee for Economic Development; Professor Mildred B. Northrop, Women's Action Committee for Lasting Peace; Mrs. Donald R. Burgess and Professor Mabel Newcomer, American Association of University Women; Mrs. J. L. Blair Buck, General Federation of Women's Clubs; Herbert H. Lehman, American Jewish Committee; Paul A. Porter and David D. Lloyd, Americans for Democratic Action; H. J. Heinz II, H. J. Heinz Co.; R. W. Gifford, Chairman of the Board, Borg-Warner International Corporation; James G. Patton, National Farmers Union; Clark M. Eichelberger, American Association for the UN; George C. Tenney, McGraw-Hill Publishing Co. of California; Norman Thomas, Socialist Party; Mrs. Joseph Willen, National Council of Jewish Women; Bernard Weitzer, Jewish War Veterans of the USA; Railway Labor Executives Association; Robert M. LaFollette, former U. S. Senator; Catholic Association for International Peace; John Ben Shepperd, President, U. S. Junior Chamber of Commerce; William F. Brooks, North American Export Grain Association; Marvin J. Coles and William D. Davies, Foreign Freight Forwarders and Brokers Association

So as to dispel any impression that the support tendered the recovery program was blind, unquestioning, or completely altruistic, it should be pointed out that in the majority of cases each supporter had very definite views in respect to such important questions as: why the aid was needed; the amount and duration of the assistance; how the aid should be administered; the conditions, if any, to be attached to American aid; the quid pro quo, if any, the United States should receive in exchange for its aid; whether aid should be primarily in the form of loans or grants; the proper degree of American supervision over the aid; the urgency, or lack thereof, in connection with the aid request; whether the United States should commit itself to the life of the program

of New York; James H. Sheldon and Edgar Ansel Mowrer, Society for Prevention of World War III; Frazer A. Bailey, National Federation of American Shipping, Inc.; Allan B. Kline, American Farm Bureau Federation; J. T. Sanders, National Grange; James D. Zellerbach, Crown Zellerbach Corp.; James M. Reed, American Friends Committee; Charles P. Taft, The Federal Council of Churches of Christ in America; Lewis H. Brown, Johns Manville Co.; J. R. Gormley, Pacific Coast Marine, Firemen, Oilers, Water Tenders and Wipers Association; American Turpentine Farmers' Association Cooperative, Valdosta, Ga.; Russell E. Brown, Independent Petroleum Association of America; Ely Culbertson, Citizens Committee for United Nations Reform, Inc.; Harry Lundeberg, Seafarers International Union of North America, and Sailors Union of the Pacific (AFL); James B. Carey and Phillip Murray, Congress of Industrial Organizations; Joseph Curran, National Maritime Union; Dr. Ronald Bridges, Council for Social Action of the Congregational Christian Churches of the United States; Paul M. Mulliken, National Retail Farm Equipment Association; David A. Bunn, National Intercollegiate Christian Council; Walter Reuther, United Automobile Workers (CIO); The People's Lobby; Benjamin A. Javits, attorney, New York City; New York State Bar Association; National Federation of Business and Professional Women's Clubs; Veterans Political Committee, Inc.; Export Managers Club, New York City; National Board of the YMCA's, USA; Northwest Horticultural Council, Wenatchee, Washington; Dried Fruit Association, San Francisco, and California Fruit Growers Exchange, Los Angeles; General Assembly of Kentucky; Walter White, National Association for the Advancement of Colored People; Mrs. Kathryn Lee Marshall, Women's International League for Peace and Freedom; William Batt, industrialist, Philadelphia (Pa.)

as proposed by the Administration; the relationship of the recovery program to the United Nations and to the concept of collective security; whether the program should be open to all countries agreeing to cooperate in achieving the overall objectives; the possible effects of the program on the American domestic economy and its natural resources; the position of Germany in the recovery program; and the ultimate goals of the European Recovery Program, i.e., whether positive, in the sense of creating a more prosperous and peaceful world, or negative, in the sense of emphasizing the Soviet-American dichotomy and the national

Chamber of Commerce; Philip D. Reed, Chairman of the Board, General Electric Co.; Dean Acheson, former Under Secretary of State; Elliott Wadsworth, International Chamber of Commerce; Capt. W. C. Ash, National Organization of Masters, Mates, and Pilots of America; Robert P. Koenig, Ayrshire Collieries Corp., Indianapolis; Ruth E. Manning, Catholic War Veterans of the USA; Florida Citrus Commission; Dr. Winfield W. Riefler, Institute of Advanced International Studies, Princeton; Hoyt S. Haddock, CIO Maritime Committee; George Baldanzi, Textile Workers Union of America (CIO); A. G. Bryant, National Machine Tool Builders' Association; New Jersey State Federation of Women's Clubs; Richard M. Bissell, Jr., Executive Secretary, The President's Committee on Foreign Aid; Allen W. Dulles; National Association of Wool Manufacturers; National Society of Professional Engineers; Edwin B. George, economist, Dun and Bradstreet; Alumni Association of Merchant Marine Cadet Corps; and Professor John H. Williams, Harvard University. In regard to the following persons, support was so conditioned as to change the effect of the program from "recovery" to "relief", to emphasize loans or repayment to the extent of nullifying the purposes of the program, to require internal political or economic reforms in the recipient nations which might have been unacceptable to sovereign states, or otherwise to indicate support so lukewarm as to constitute opposition to the Administration's proposal: Henry Hazlitt, Newsweek Magazine; former President Herbert Hoover (who later altered his position); Henry J. Taylor, journalist and author; Curtis E. Calder and Herbert H. Schell, National Association of Manufacturers; Robert F. Loree, National Foreign Trade Council, Inc.; Earl O. Schreve, Chamber of Commerce of the United States; True D. Morse, Doane Agricultural Service, Inc.; Hamilton Fish, former Congressman, New York; O. K. Armstrong, writer; Long Beach, Calif., Chamber of Commerce; Carl B. Fritsche, Reichhold Chemicals, Inc., Tuscaloosa, Ala. and Detroit, Mich.; Clarence K. Streit, Washington, D. C.; Foreign Traders Assn. of Philadelphia; and Merwin K. Hart, National Economic Council, Inc.

security aspects of the program.

The Committee Versions of ERP

The Senate Foreign Relations Committee unanimously reported its version of the "Economic Cooperation Act of 1948" to the Senate on February 27. It was not until March 20 that the House Foreign Affairs Committee submitted to the House the "Foreign Assistance Act of 1948". The latter contained provisions not only for the European Recovery Program (Title I) but also for the International Children's Emergency Fund (Title II); military aid to Greece, Turkey and China (Title III); and economic aid to China (Title IV).⁸⁶

The Foreign Relations Committee placed major emphasis on the economic basis of Europe's problems, although recognizing that reconstruction was being impeded by "subversive elements". However, it urged that all European countries, including the Soviet Union and its Eastern European satellites, be encouraged to participate in the recovery program.⁸⁷ The Foreign Affairs Committee, on the other hand, viewed the "Communist menace" as the underlying reason for continuing and expanding American foreign aid programs.⁸⁸ Given these contrary

⁸⁶U. S., Congress, House, Committee on Foreign Affairs, A Bill To Promote the General Welfare, National Interest, and Foreign Policy of the United States Through Necessary Economic and Financial Assistance to Foreign Countries Which Undertake To Cooperate with Each Other in the Establishment and Maintenance of Economic Conditions Essential to a Peaceful and Prosperous World, 80th Cong., 2nd Sess., 1948, House Report No. 1585 on S.2202, p. 1, in House Miscellaneous Reports, II (Washington: U. S. Government Printing Office, 1948). Cited hereafter as House Committee on Foreign Affairs, House Report No. 1585 on S. 2202.

⁸⁷Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program, pp. 1, 4-6, 8, 13-14.

⁸⁸House Committee on Foreign Affairs, House Report No. 1585 on S.2202, pp. 1-5.

views of the basic cause of the European crisis, it might have been expected that the two committees would arrive at different solutions to the problem. The major difference between the two, however, was the insistence of the House group upon placing military aid provisions in an omnibus aid measure. In regard to the European Recovery Program, the House committee reflected a more pessimistic overall view of the proposal than did the Senate committee, although it basically accepted the Administration plan as altered by the Foreign Relations Committee and then by the Senate itself.⁸⁹

The most significant difference between the original European recovery proposal submitted by the Administration and the bills reported by the Congressional committees was in the area of administering the aid program. The pattern was set by Vandenberg's committee and accepted by the House committee. Arguments for the creation of an independent corporation to administer the aid program were rejected by the Senate committee on grounds that the program was too important and its impact on other agencies of government would be too great for it to be administered by other than an "integral part" of the Executive branch on a par with Cabinet departments.⁹⁰ The Administrator was given direct access to the President and was made independent of the Secretary of State in respect to the formulation and execution of the plans under the program. It was required that these two officials should consult one another in regard

⁸⁹Senate passage of S.2202 came on March 13.

⁹⁰The Foreign Affairs Committee inserted a provision authorizing the Administrator to create a corporation to conduct the "business operations" of the program, if he determined the need. House Committee on Foreign Affairs, House Report No. 1585 on S.2202, pp. 42-43.

to foreign policy matters. Any conflicts which could not be resolved between them would be referred to the President for ultimate decision. Personnel were to be selected by the Administrator and responsible to him. Within the participating countries, the chiefs of the recovery program missions were to be second-in-rank to the chiefs of the regular diplomatic missions. They were to be appointed by the Administrator and responsible to him. The Special Representative in Europe was given the primary responsibility of representing the United States before the permanent organization to be created by the participating countries. In addition, he would be a "roving ambassador", performing duties assigned by the Administrator. He would be required to keep the Secretary of State, the Administrator, the chiefs of the special missions, and the chiefs of the diplomatic missions informed of his activities.⁹¹ Both committees agreed that the head of ECA " . . . must be an able administrator, a dynamic leader, and cooperative in his approach to other agencies."⁹² Whereas the Administration bill had made assistance to the ECA by other Government agencies contingent upon the consent of the heads of those agencies, the Senate committee provided that the President could "direct" other agencies to provide ECA with needed personnel, facilities, etc. The House committee endorsed this amendment.⁹³

⁹¹Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program, pp. 14-18.

⁹²Ibid., p. 15.

⁹³House Committee on Foreign Affairs, Report No. 1585 on S.2202, pp. 44-47.

Both committees recommended a total of \$5.3 billion for the initial twelve months of the recovery program. The Senate committee recommended that the entire amount be provided through appropriations, whereas the House group provided that \$1 billion of the total would come from the Export-Import Bank, whose lending authority would be increased to that extent.⁹⁴ Under the Senate committee's version of the recovery legislation, only one authorization measure would be necessary for the life of the program. Annual reviews of the program would be held in conjunction with the appropriation requests.⁹⁵ The Foreign Affairs Committee rejected this approach, requiring instead annual Congressional authorizations as well as appropriations.⁹⁶

Provision for a bipartisan Joint Committee on Foreign Economic Cooperation, to conduct a continuing study of United States foreign aid programs, was made by the Senate committee.⁹⁷ Jealous of its prerogatives, the Foreign Affairs Committee unceremoniously deleted this provision.⁹⁸

Of the two committees, the Senate group was much more charitable

⁹⁴At least one-half of the \$1 billion was to be used for loans to the participants. This was viewed as a concession to Congressman Herter, who believed that loans should be used rather than grants wherever possible. Ibid., pp. 1-2.

⁹⁵Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program, pp. 49-50.

⁹⁶House Committee on Foreign Affairs, House Report No. 1585 on S.2202, pp. 40, 42.

⁹⁷Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program, p. 19.

⁹⁸House Committee on Foreign Affairs, House Report No. 1585 on S.2202, p. 42.

toward the specific program and requirements advanced by the Administration. Although the House committee made few major changes in the legislation it received from the Senate, it availed itself of the opportunity presented in submitting its report to criticize the Administration for its operation of past foreign aid programs and for their piecemeal presentation to Congress. Similarly, the Administration was criticized for its management of German recovery. It considered that the Administration had been too conservative with regard to its estimates of assistance which could be provided from sources other than the American taxpaying public. Frequent allusions to the utter futility of determining the "exact size" of the program, and thus its exact impact on the United States economy, no doubt bolstered to some extent the Congressional opposition to the recovery program.⁹⁹ The Senate committee, on the other hand, commended the Administration for the thoroughness of its effort in preparing the recovery program for submission to Congress and its committees. Similarly, the committee endorsed the methods used by the Executive branch in determining the requirements of the CEEC nations. The funds requested by the Administration to finance the European requirements were considered an extremely "tight fit". Little apprehension was evidenced of the nation's ability to sustain the recovery program.¹⁰⁰

Slightly different positions were taken by the two committees with regard to the right of the United States to receive some repayment

⁹⁹Ibid., pp. 5-7, 19-22.

¹⁰⁰Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program, pp. 1, 4-6, 21, 32.

for its assistance to the European nations. The Foreign Relations Committee agreed with the Administration that the United States should not demand or expect to receive "strategic" stockpiling materials in return for its assistance.¹⁰¹ The Foreign Affairs Committee, on the other hand, inserted provisions designed to guarantee that the United States at least would be assured its "equitable share" of strategic materials "at world market prices".¹⁰²

Both committees agreed with the Administration, despite evidence of overwhelming Congressional disapproval of the position taken, that savings could be realized in the recovery program through a provision for chartering or selling surplus Government-owned merchant vessels to the participating countries for the transportation of recovery program materials and goods.¹⁰³

Both committees rejected arguments for placing extreme conditions on the assistance provided by the United States to the participating nations. The Foreign Relations Committee, at Senator Vandenberg's insistence, included a provision cautioning that the continuance of United States aid would depend upon the continued efforts of the participating countries to achieve the objectives of a joint recovery program as pledged by them at Paris in 1947.¹⁰⁴ A provision inserted

¹⁰¹Ibid., pp. 35-36.

¹⁰²Congressional Record, XCIV, Part 3, 3891.

¹⁰³Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program, pp. 36-37; House Foreign Affairs Committee, House Report No. 1585 on S.2202, p. 35.

¹⁰⁴Senate Foreign Relations Committee, Report No. 935, . . . on the European Recovery Program, pp. 43-44.

by the House committee, which was designed to prevent Soviet Russia or its Eastern European satellites from benefitting even indirectly through the program, prohibited the re-export to those countries of goods manufactured from commodities received by the participants through the recovery program. The House committee also inserted provisions designed to protect American investments in the participating nations.¹⁰⁵

Finally, the House committee was more insistent than either the Foreign Relations Committee or the Administration that only personnel of "unquestioned" loyalty be employed in the agency administering the recovery program.¹⁰⁶

The Debates

Prospects for Adoption of the Recovery Program

Senate debate began on S.2202 on March 1 and concluded on March 13, when the "Economic Cooperation Act of 1948" was passed by a vote of 69-17. Debate had been accelerated, as much as possible, in order to get the bill before the House Foreign Affairs Committee before it closed its hearings and began the process of "marking up" its version of the foreign aid bill. The House began debating S.2202, as amended by the Foreign Affairs Committee, on March 23. Debate was concluded on March 31, when the bill passed by a vote of 329-74, with two members answering

¹⁰⁵House Foreign Affairs Committee, House Report No. 1585 on S.2202, pp. 26-28, 38-39, 100.

¹⁰⁶Ibid., p. 48.

"present" and twenty-six not voting.¹⁰⁷

As preparations were made to begin Senate debate, there was no assurance that the Administration's April 1 deadline for enactment of ERP would be met. Public hearings were still in progress before the House Foreign Affairs Committee and the House Republican leadership appeared unmoved by pleas from the Administration and from Senator Vandenberg to speed up the Congressional timetable for final action on the recovery program. Despite the obstacles, there was general agreement by this time that ERP would eventually be enacted in some form. The major question, at this point, was whether the opposition possessed the strength to attach crippling amendments to the legislation. There was Republican-led opposition to ERP in both Houses. Opposition in the Senate, however, was more cohesive than that in the House. A group of Senate Republican "revisionists" had initiated a series of meetings while the hearings were in progress for the purpose of developing strategy in opposition to ERP. This group, normally numbering eighteen or twenty and consisting largely of Midwesterners, formulated specific proposals for changing ERP, some of which were presented to the Foreign Relations Committee during its hearings, with others being submitted in the form of amendments or substitutes during the Senate debate. Not all of the "revisionists" were unalterably opposed to ERP; however, a majority of the amendments proposed during Senate debate originated within this group.¹⁰⁸

¹⁰⁷Congressional Record, XCIV, Part 2, 1915, 2793; Ibid., Part 3, 3322, 3874-3875.

¹⁰⁸Members of the "revisionists" included Senators Joseph H. Ball (Minn.), Clyde M. Reed (Kan.), Kenneth S. Wherry (Neb.), Henry C.

Although House opposition to ERP was disorganized, many negative votes were expected to come from Midwestern Congressmen, as had been true with regard to the interim aid bill passed in December.¹⁰⁹ Speaker Martin and Majority Leader Halleck, both of whom were conservative and fiercely partisan Republicans, were critical of many aspects of the Administration's past, present, and prospective foreign policies.¹¹⁰ Obviously, ERP was not popular among the House Republican leadership. Cognizant, however, of the program's general popular approval, they designed a strategy by which, hopefully, their party could reap some of the election year benefits expected to accrue from the enactment of the program. Conversely, it was their aim to minimize any gains to the Democrats from the program's enactment.¹¹¹

Dworshak (Idaho), James P. Kem (Mo.), William E. Jenner (Ind.), George W. Malone (Nev.), Arthur V. Watkins (Utah), C. Wayland Brooks (Ill.), Zales N. Ecton (Mont.), E. H. Moore (Okla.), Guy Cordon (Ore.), William F. Knowland (Calif.), Owen Brewster (Me.), Homer E. Capehart (Ind.), Joseph R. McCarthy (Wis.), Chapman Revercomb (W. Va.), Harry P. Cain (Wash.), and Edward V. Robertson (Wyo.). New York Times, January 31, 1948, pp. 1,6; Ibid., February 7, 1948, pp. 1,5; Ibid., February 8, 1948, p. 31. Frequently, this group was joined by Republican Senators Hugh Butler (Neb.), Albert W. Hawkes (N. J.), John J. Williams (Del.), Milton R. Young (N. D.), and Democrat W. Lee O'Daniel (Texas). Although not a member of the "revisionists", Senator Taft, the Republican Policy Committee Chairman, basically opposed ERP. New York Times, January 4, 1948, E3; Ibid., January 6, 1948, p. 18; Ibid., January 11, 1948, E3; Ibid., January 19, 1948, p. 1.

¹⁰⁹Of eighty-two votes cast against interim aid in the House, fifty-five represented Midwestern Republicans. Forty of the latter were concentrated among the states of Illinois, Ohio, Michigan, Indiana, and Missouri. New York Times, January 4, 1948, E3.

¹¹⁰Ibid., January 6, 1948, p. 18.

¹¹¹Ibid., February 8, 1948, E3. Despite the opposition to ERP manifested by many Congressional Republicans, leading spokesmen of the party outside Congress were in virtual unanimity in supporting the program. These included Governor Dewey of New York, Governor Warren of

The Congressional opponents of the recovery program, thus, held little hope of defeating the legislation. They could hope, however, to reduce the size and scope of the program. Furthermore, they could hope to capitalize on the valid doubts relative to the exact needs of the participating countries and legitimate questions as to how these nations could better help themselves. In brief, the strategy of the opposition was to probe from every angle, hoping to find weak places and to make inroads at such positions.

Although it had expressed general satisfaction with the ERP bill approved by the Senate Foreign Relations Committee, the Administration was fully aware that major battles lay ahead, the outcome of which could be determined only as the issues were voted upon in the Senate and House.¹¹² As the debates began, the objective of the Administration was not simply the enactment of a European Recovery Program, but the passage of legislation which would secure the general goals embodied in the recovery program and preserve the important prerogatives of the President in the area of foreign policy formulation against encroachments from within the legislative branch.

Senate Consideration of ERP

When S.2202 became the "unfinished business" of the Senate on Monday, March 1, 1948, it could not be inferred that the measure was

California, Harold E. Stassen, and John Foster Dulles. Ibid., January 3, 1948, p. 9; Ibid., January 11, 1948, E3; Ibid., January 16, 1948, p. 12; Ibid., January 18, 1948, p. 33; Ibid., January 28, 1948, p. 12; Ibid., February 13, 1948, pp. 1, 6.

¹¹²Ibid., January 6, 1948, pp. 1,13; Ibid., January 29, 1948, p. 18; Ibid., January 30, 1948, pp. 1,3.

debated without interruption until a decision was reached. There were many interruptions, to the dismay of the bill's proponents. Debate lagged for several days. Several members, including Minority Leader Barkley, voiced criticisms of their colleagues for poor attendance during the debate of such a critical issue. Vandenberg pleaded with his colleagues to submit their amendments for consideration as quickly as possible.¹¹³ Senator Wherry, Acting Majority Leader, led the opposition against S.2202. As Floor Leader, he was in a position to erect obstacles against, if not to defeat, the recovery measure.¹¹⁴ Early in the debate, Wherry's fellow Republican, Henry Cabot Lodge, Jr. (Mass.), a member of the Foreign Relations Committee and ardent supporter of ERP, bluntly accused Wherry of "nitpicking" while Europe was disintegrating. At other points, Lodge charged Wherry with "dragging red herrings" into the debate and "saber-rattling".¹¹⁵ Although Vandenberg led the debate for the proponents of S.2202, he was assisted by Lodge. While at most times completely self-possessed, Senator Vandenberg on occasion was provoked to sharp retaliation, as when the authenticity of his conversion to internationalism was questioned by his Republican colleagues Ball and Brewster. Also, when exasperated, he could pointedly recognize a delaying tactic as such.¹¹⁶

¹¹³Congressional Record, XCIV, Part 2, 1921, 1961, 1964.

¹¹⁴Although endeavoring to create the impression that he was attempting to facilitate the ERP debate, Wherry early took the lead in raising points designed to impede the debate's progress. Despite the alleged urgency of the situation, he argued, the subject should be discussed "from A to Z and back again." Ibid., p. 1966.

¹¹⁵Ibid., pp. 2327, 2637.

¹¹⁶Ibid., pp. 2027-2029. During the debate, Vandenberg received frequent support from Senators Lodge, Barkley (D., Ken.), Connally (D.,

During the debate, the membership of the Foreign Relations Committee presented a united front. There was no breaking of ranks at any time. Only three members sponsored or joined in sponsoring amendments to the bill (Vandenberg, Wallace H. White, Jr., and Walter F. George). Their amendments, all accepted, obviously had the support of the full committee and the Administration. No committee member voted against the position taken by Senator Vandenberg on any roll call vote (of which there were seven, including the vote on final passage). No amendments were adopted which did not have the approval of Vandenberg and the committee.

Most of the debate centered upon S.2202 itself rather than upon American foreign policy in general, although the conduct of foreign policy by the Democratic Administration was subjected to occasional censure. The sponsors, of course, hoped to prevent a general foreign policy debate because of the urgency attached to the European situation. Some sixty-nine senators participated in the debate. Some delivered lengthy speeches, while others merely raised questions concerning particular aspects of the bill. The device of "extension of remarks" was used, although not as much as in connection with the House debate.

Tex.), Thye (R., Minn.), Hoey (D., N. C.), Lucas (D., Ill.), Smith (R., N.J.), McKellar (D., Tenn.), Hill (D., Ala.), Eastland (D., Miss.), McMahon (D., Conn.), Saltonstall (R., Mass.), Flanders (R., Vt.), Baldwin (R., Conn.), Morse (R., Ore.), Cooper (R., Ken.), Pepper (D., Fla.), Myers (R., Pa.), Holland (D., Fla.), Maybank (D., S. C.), Hickenlooper (R., Iowa), O'Connor (D., Md.), and Sparkman (D., Ala.). Of members of the Foreign Relations Committee, the most frequent participants in the debate were Vandenberg, Lodge, Smith, Connally, and Barkley. Hickenlooper was less active than he had been during the hearings, where he frequently displayed serious reservations toward the bill.

It was not until March 8 that the Senate began voting on amendments to S.2202. During the previous week the bill had been debated in general terms. Very few amendments were presented during the first week, despite the urging of Senator Vandenberg. Because of the delays, it later became necessary to hold night sessions in order to terminate the debate and bring the measure to a vote by the end of the second week, in accordance with Vandenberg's schedule. As these delays occurred, and with no definite date set for debate to begin in the House, supporters of ERP became alarmed at the possible consequences in Europe of failure to meet the April 1 deadline for enactment of ERP.¹¹⁷

Although many eloquent words were spoken in support of the recovery program during the debate, the major arguments favoring its passage were as follows:¹¹⁸

1. It will promote peace, stability, and freedom.
2. It is in furtherance of intelligent American self-interest: America cannot enjoy prosperity if the rest of the world is destitute. America cannot live in peace if the remainder of the world is in chaos.

¹¹⁷Ibid., pp. 2024-2025.

¹¹⁸For arguments in support of ERP, see remarks of Senators Vandenberg, Congressional Record, XCIV, Part 2, 1915-1920; Thye (R., Minn.), in Ibid., p. 1979; Hoey (D., N.C.), in Ibid., p. 2021; Smith (R., N. J.), in Ibid., pp. 2107-2108; McKellar (D., Tenn.), in Ibid., p. 2285; Hill (D., Ala.), in Ibid., pp. 2379-2380; Eastland (D., Miss.), in Ibid., pp. 2379-2381; Saltonstall (R., Mass.), in Ibid., p. 2384; Flanders (R., Vt.), in Ibid., pp. 2384-2385; Baldwin (R., Conn.), in Ibid., pp. 2531-2533; Morse (R., Ore.), in Ibid., pp. 2650-2684; Lucas (D., Ill.), in Ibid., p. 2655; Connally (D., Tex.), in Ibid., pp. 2688-2697; Pepper (D., Fla.), in Ibid., pp. 2724-2738; MacMahon (D., Conn.), in Ibid., pp. 2751-2752; Holland (D., Fla.), in Ibid., pp. 2752-2753; Hickenlooper (R., Iowa), in Ibid., pp. 2779-2780; Sparkman (D., Ala.), in Ibid., p. 2785; Barkley (D., Ken.), in Ibid., pp. 2790-2792.

3. It will help to stem the advance of Communism in Europe, most hopefully by inducing cooperation between East and West.
4. It will be much less costly than preparing for or fighting a war.
5. It hopefully will eventuate in economic and political unity among the participating European nations.
6. It is America's responsibility to use its wealth and power in the interests of peace; it cannot withdraw into isolationism and remain either free or prosperous.
7. In restoring Europe, it will at the same time preserve American markets and thus the American free-enterprise system.
8. It has been studied in great detail by experts from within and without the Government and has the overwhelming approval of many respected individuals in all walks of the national life, including the members of the Foreign Relations Committee, who are among the leaders of the Senate.
9. It manifests a bipartisan foreign policy.
10. It gives America an opportunity to demonstrate the spiritual values of democracy. America cannot be false to its ideals and purposes.
11. Only America is capable of meeting the requirements of Europe.
12. The plan of administration adopted by the Foreign Relations Committee insures that the economic aspects of the aid program will be conducted in an efficient manner, free of State Department controls but coordinated with overall foreign policy.
13. Previous American aid has had beneficial results: already there is evidence of greater cooperation among Western European countries.

The arguments against the recovery program were many and varied.

They ranged from the broadside attacks of the conservatives upon the

very concept of foreign aid to the criticisms by the liberals of the underlying motivations of the aid program. They included recommendations by both the right and the left opposition of alternatives to the proposed course of action or of ways in which to "improve" upon the specific proposal. With criticisms ranging from the general to the particular, from both sides also came predictions of fateful consequences for the nation if it chose to continue along its apparent course.

Some of the major arguments heard against the recovery program during the Senate debate were:¹¹⁹

1. The proposed four-year commitment is against all American traditions of "no entangling alliances".
2. The State Department has made an utter failure in postwar foreign policy. It cannot be trusted with this plan.
3. It is the height of inconsistency for the Administration to urge the adoption of this plan while continuing to "do business" with the Soviet Union, to encourage trade between the participating nations and Eastern Europe, and to deny Spain the opportunity to participate.

¹¹⁹ See remarks of Senators Wherry, Congressional Record, XCIV, Part 2, 1962-1963, 1970-1971, 1979-1980, 2327, 2637-2638, 2720; Knowland (R., Calif.), in Ibid., pp. 1963-1964; Ball (R., Minn.), in Ibid., pp. 1974, 1983-1985, 2199, 2776-2778; Kem (R., Mo.), in Ibid., pp. 1982, 2190, 2618-2641; Malone (R., Nev.), in Ibid., pp. 2123-2124, 2130-2131, 2188-2216, 2316-2321, 2624, 2633-2634; Johnson (D., Colo.), in Ibid., pp. 2131-2135; Butler (R., Neb.), in Ibid., pp. 2190, 2763; Ecton (R., Mont.), in Ibid., p. 2191; Revercomb (R., W. Va.), in Ibid., pp. 2192-2193, 2788-2789; Jenner (R., Ind.), in Ibid., pp. 2208-2209; Hawkes (R., N. J.), in Ibid., pp. 2215-2216, 2634, 2756-2758; Langer (R., N. D.), in Ibid., pp. 2316-2321, 2367-2377; Taylor (D., Idaho), in Ibid., pp. 2385-2400, 2448-2458; O'Daniel (D., Tex.), in Ibid., pp. 2462-2466; Chavez (D., N. M.), in Ibid., pp. 2466-2469; Capehart (R., Ind.), in Ibid., pp. 2517-2520, 2622; Dworshak (R., Idaho), in Ibid., p. 2623; Cain (R., Wash.), in Ibid., p. 2625; Taft (R., Ohio), in Ibid., pp. 2641-2650; and Brooks (R., Ill.), in Ibid., pp. 2759-2763.

4. The basic problem in Europe is the fact of Soviet aggression, which can be stopped only by superior force.
5. The recovery program is likely to result in incalculable damage to the domestic economy.
6. Servicing the Federal debt, balancing the budget, providing a superior military establishment, and fulfilling other domestic needs should have priority over ERP.
7. There are no assurances that the program will succeed.
8. Much of Europe's "crisis" results from mistakes in American foreign policy, socialistic experiments by European governments, and the threat from Soviet power. Solutions must be devised for these problems before economic recovery is possible.
9. America will never be repaid for any of its assistance.
10. Many of the participating countries do not need aid: the Europeans can do much more for themselves. Some of these countries want American dollars merely to develop their own empires or industries.
11. The program will lead to World War III, to inflation, controls, and militarism in America.
12. Unless the participating nations undertake internal reforms, they will be forever dependent upon American aid.
13. The burden imposed upon the American taxpayer by this program is disproportionate. Private sources can provide much of the required assistance.
14. ERP is designed to achieve American dominance in Europe.
15. ERP has been deliberately "baited" in order to garner the support of various selfish interests.
16. American assistance will be used to promote socialism in Europe. How can this stop Communism?
17. Only those countries directly threatened by Communist force should be aided.
18. American assistance will tend to lower the American standard of living to that of the recipient countries.

19. There should be repayment for all aid materials not essential to the sustenance of life.
20. ERP is a blatant attempt to "buy" the Western European nations as allies against the Soviet Union.
21. ERP is a Wall Street conspiracy to dominate Europe.
22. American assistance should be channelled through the United Nations.
23. The "anti-Communist hysteria" is being fueled deliberately by the industrialists, militarists, politicians, and press, each for selfish reasons detrimental to peace.
24. ERP is designed to provide markets for surplus American production and to avoid a depression.
25. ERP is merely an extension of the Truman Doctrine, which is blind to totalitarianism of the Right.
26. There is no constitutional authority for a foreign aid program.
27. America should first concentrate upon the elimination of internal Communism.
28. Any American assistance should be afforded only to private European industries, not to governments.
29. ERP is not an evidence of bipartisan foreign policy. It is merely another Truman policy being forced upon Congress.
30. All reparations and dismantling programs in Germany should be stopped.
31. The legislation as drafted is too broad: it gives the Administrator excessive control over the domestic economy and is a "blank check" to the Administration.
32. There has been insufficient time given to the debate of this program.

Twenty-six amendments were offered to S.2202. In addition, two substitute measures were proposed. Of the amendments, fourteen were submitted by one or more of the "revisionists". Seven of these were

adopted, after initial acceptance by Vandenberg and the Foreign Relations Committee. Both substitute measures and eleven proposed amendments were rejected. Two amendments were withdrawn.

Possibly involving the most controversy were amendments proposed by Senators Ball and Taft and substitute measures offered by Senators Taylor and Capehart. Rejected on a roll call vote of 19 to 53 on March 8 was the Ball amendment, which would have required the participating countries to establish exchange rates for their currencies which would "reflect with reasonable accuracy the actual purchasing power" of such currencies. The committee bill required only that the participating countries establish "valid" rates of exchange. Involved was the extent to which conditions should be placed upon American aid as well as the definition of "valid" as used in the committee bill. Ball argued that the word "valid" was no condition at all, i.e., that any rate of exchange considered "legal" by the participating country would be "valid". Therefore, the current situation of inflated rates of exchange would be continued. Vandenberg argued that it would be a "dangerous thing" for the Senate to "put down in black and white a rule of international exchange which we are going to propose to have enforced as the result of this legislation." Rather than attempt to define the word "valid" it would be better to rely on the Administrator's judgment of the evidence as to whether a participating country was endeavoring to stabilize its currency. In the 19-53 vote, the Ball amendment was supported by seventeen Republicans and two Democrats. The Republican support consisted almost solely of "revisionists". The coalition defeating the amendment consisted of twenty-two Republicans

and thirty-one Democrats. Of the Republicans voting on the amendment, 54 percent voted "nay", whereas 94 percent of the Democrats voting cast negative votes.¹²⁰

On March 10 the Senate rejected on a roll call vote of 3 to 74 a substitute proposed by Senator Taylor. Taylor's measure embodied the position of Henry A. Wallace, former Vice President and Presidential contender of the Progressive Citizens of America. Taylor had announced as the running-mate of Wallace. His proposal was supported by the American Communists and certain other left-wing groups. It specifically repudiated the Truman Doctrine and advocated universal disarmament. Entitled the "Peace and Reconstruction Act of 1948", it proposed the creation of a European Reconstruction and Economic Development Administration within the United Nations to which the United States would contribute \$5 billion annually over a five-year period, in addition to an immediate contribution of \$500 million for emergency aid. As indicated by the vote, this was less than a popular alternative to the committee bill. Voting for the substitute, in addition to Taylor, were Senators Pepper and Langer.¹²¹

The crucial test for ERP came on the night of March 12, when the Senate rejected on a roll call vote of 31 to 56 an amendment proposed by Senator Robert A. Taft to reduce the ECA authorization from \$5.3 billion to \$4.3 billion. Taft argued that ERP could not be justified on economic grounds. It could be justified only by the "world

¹²⁰Ibid., pp. 2298-2303.

¹²¹Ibid., pp. 2457-2460.

battle against communism." He favored giving aid only for specific projects and objected to the balance of payments method by which aid requirements had been calculated. He deprecated the latter as at best mere "guesswork". Taft objected to any commitment by the United States to the recovery program involving more than one year at a time. He expressed apprehension in regard to the domestic economic consequences of the proposed aid program and urged that the European countries do more for themselves. On the basis of "general principles of economy", Taft argued that some reduction in the \$5.3 billion request was warranted. The senator insisted that his method for determining the amount of aid required by Europe was as logical and sound as that used by the sponsors of the recovery program. Senator Morse, ridiculing Taft's proposal as "penny-pinching", attacked it on the ground that the studies of one senator could not compare in credibility with the exhaustive investigations underlying the recommendations of the Administration and the Foreign Relations Committee. Morse reasoned further that the fact of Europe's present need was proof the previous postwar aid provided by the United States had been inadequate. Therefore, the evidence was conclusive of the need for a greater infusion of foreign assistance. Senator Connally entered the debate at this point with a major speech. He defended the proposed recovery program on the basis of its potential for insuring world peace. Only the United States had sufficient resources to respond adequately to the European crisis. Unless timely and adequate measures were taken to alleviate the European situation, the chaotic situation existing there ultimately would engulf the world. The Taft amendment led to a sharp division

among Senate Republicans: twenty-three supported the amendment while twenty-four voted against it. The twenty-three Republicans, consisting primarily of "revisionists", were joined by eight Democrats, divided equally between Southerners and Westerners. However, as had been the pattern throughout the voting, Senate Democrats overwhelmingly followed the Vandenberg leadership. Although the Taft amendment was defeated, the debate emphasized the serious reservations of a large Senate minority toward the recovery measure and forecast further difficulties for the actual appropriations bill.¹²²

A substitute measure, entitled the "International Relief and Reconstruction Act of 1948", was advanced by Indiana's Senator Capehart. Rejected on a roll call vote, 22 to 68, on March 13, it represented the last major effort by Senate opponents to defeat S.2202. Capehart's measure would have separated the recovery program into two distinct phases: relief and recovery. Relief aspects would have been placed under an International Relief Administrator, with \$2 billion authorized for this purpose. The recovery aspect would have been placed under the Reconstruction Finance Corporation, with that agency's lending capacity increased by \$3 billion and the participating countries required to establish their own versions of the RFC. If the participating countries held any serious hopes of recovery, Capehart argued, they must emulate the successful private enterprise system of the United States. Members of the Foreign Relations Committee successfully argued that Capehart's measure had been given entirely too little study to

¹²²Ibid., pp. 2641-2708.

justify its substitution for S.2202 at this late hour. Three Democrats joined nineteen Republicans in support of the Capehart substitute. Sixty percent of the Republicans voting opposed the proposal, whereas 93 percent of the Democratic senators voted "nay".¹²³

There were, of course, other important amendments proposed to S.2202. An amendment by Senator Knowland, adopted by voice vote on March 8, prohibited exports from the United States to non-participating European countries if such exports interfered with fulfilling the requirements of participating countries, unless the Secretary of Commerce declared that the exports to non-participating countries were in the national interest of the United States. Another Knowland proposal, adopted by voice vote on March 8, required that 50 percent of the gross tonnage of ERP commodities procured in the United States be shipped in American vessels, "so far as practicable."¹²⁴ Another amendment, sponsored by the shipping interests and advanced by Senator Brewster and other "revisionists", eliminated the authority contained in the committee bill to charter American vessels to the participating countries.¹²⁵ An amendment sponsored by Senator George, a member of the Foreign Relations Committee, directed the Administrator to use private channels of trade "to the maximum extent consistent with the accomplishment of the purposes of this act."¹²⁶ In accordance with an amendment authored by

¹²³Capehart seemed unperturbed by the inconsistency of his comparison of an agency such as RFC with unadulterated free enterprise. Ibid., pp. 2766-2772, 2775.

¹²⁴Ibid., pp. 2297-2298.

¹²⁵Ibid., pp. 2460-2462.

¹²⁶Ibid., pp. 2470-2471.

Senator Cooper, the President was directed to encourage other Western Hemisphere countries to furnish assistance to Europe.¹²⁷ The Administrator was authorized (rather than directed, as its "revisionist" sponsors preferred) to furnish assistance to specific approved projects, under an amendment proposed by Senators Ball and Wherry and accepted by voice vote on March 11.¹²⁸ In an example of the conciliatory tactics utilized so successfully with the opposition, Senator Vandenberg sponsored an amendment, accepted by voice vote on March 11, which provided specifically that the Special Representative in Europe would represent the Administrator as well as the United States. The Senate, under Vandenberg's leadership, previously had rejected a "revisionist" proposal which not only would have changed the relationship between the Special Representative and the Secretary of State but also would have changed the title of the Special Representative to "Agent General for Economic Cooperation". The object, of course, was to sever as completely as possible all connections between the recovery program and the State Department. In another gesture of conciliation, Vandenberg sponsored and the Senate accepted a companion measure providing that the Special Representative would receive his instructions from the Administrator, prepared and transmitted in accordance with procedures agreed upon between the Administrator and the Secretary of State. The amendment provided also that the Special Representative would coordinate the various ECA missions in the participating countries.¹²⁹

¹²⁷Ibid., p. 2471.

¹²⁸Ibid., p. 2535.

¹²⁹Ibid., pp. 2536-2542.

A proposal by Senator Cooper that disputes between the Administrator and export control authorities be referred to the President for disposition was accepted by voice vote on March 11.¹³⁰ On March 12, the Senate accepted by voice vote an amendment by Senator Brooks authorizing the Administrator to pay ocean freight charges on private relief shipments from the United States to participating countries receiving grants.¹³¹ On March 13, the Senate accepted by voice vote a proposal by Senator Aiken (R., Vt.) and other senators from agricultural states to revise a section of the bill relating to the use of agricultural products in the recovery program. Pursuant to the revision the Administrator was directed "insofar as practicable", in buying surplus farm products, to make such purchases only in the United States except when the commodity was available in one of the participating countries or when a scarcity existed in the United States; to procure each class or type of surplus farm commodity in the approximate proportion of each to the total United States surplus; and to purchase surplus farm products from the Commodity Credit Corporation whenever practicable, paying the CCC only its cost but not more than the market price. "Revisionist" Senator Reed (R., Kan.) secured Senate approval of an amendment on March 13 requiring that wheat used to produce wheat flour for participating countries amount to at least 25 percent of the total unprocessed wheat and wheat in the form of flour transferred by grant to the participating countries. Also on the last day of debate the Senate agreed to a proposal by Senator

¹³⁰Ibid., pp. 2545-2546.

¹³¹Ibid., p. 2617.

Taft authorizing the Administrator to guarantee credits extended to participating countries by persons or governments of other Western Hemisphere nations, with a limit of 70 percent on governmental credits. Senator McCarthy (R., Wis.) offered, and the Senate accepted by voice vote on March 13, an amendment expressing the "understanding" of the Senate that prisoners of war remaining in participating countries would be repatriated by January 1, 1949.¹³²

At the request of Vandenberg, Senator Fulbright (D., Ark.) reluctantly withdrew a proposed amendment adding "political unification" to the stated objectives of the recovery legislation. Although eventual European union was envisioned by many of the proponents of the recovery program, Vandenberg and other leaders were reluctant to make their hopes so obvious and thus subject the United States to charges of "political interference" in the recipient nations.¹³³

An effort by the "revisionists" to separate the recovery program into relief and recovery aspects, by leaving to the Appropriations Committees the determination of the amounts to be devoted to relief and by limiting other assistance to specific projects approved by the Administrator, was rejected by voice vote on March 11.¹³⁴

A last-minute obstructionist tactic was offered by Senator O'Daniel (D., Tex.) who, on March 13, demanded a roll call vote on his amendment to authorize an appropriation of \$600 million to increase

¹³²Ibid., pp. 2713-2720, 2753, 2766.

¹³³Ibid., p. 2286.

¹³⁴Ibid., pp. 2533-2535.

old-age pensions by \$60 monthly. The amendment was defeated, 13 to 73.¹³⁵

The Senate approved the "Economic Cooperation Act of 1948" by a vote of 69 to 17, at midnight, March 13, 1948. Although the decisive vote had been cast on the Taft amendment the previous evening, the Senate galleries remained packed as the last vote was recorded. Thirty-one Republicans joined thirty-eight Democrats in providing the overwhelming victory. Ninety percent of the Democrats voting supported the measure on final passage, whereas 70 percent of the Republicans cast affirmative votes. Thirteen Republicans and four Democrats combined in opposition to passage of the measure. The Democrats voting in opposition consisted of three Southerners and one Westerner, while the Republican group was composed of diehard "revisionists".¹³⁶

The Senate thus had met Vandenberg's deadline of March 15, set on February 28 by the Senate leader when he declared that the Czechoslovakian coup and increased Soviet pressure on Finland made imperative prompt Congressional action on the recovery program.

Efforts To Expedite Passage of ERP

Vandenberg's committee, even before final Senate action on ERP, had begun closed hearings on bills providing assistance to Greece, Turkey, and China, in order to prevent the occurrence of any parliamentary delays in consequence of the decision of the House Republican leadership to combine all aid legislation into an omnibus package.¹³⁷ It still

¹³⁵Ibid., pp. 2721-2723.

¹³⁶Ibid., p. 2793; New York Times, March 14, 1948, pp. 1,53.

¹³⁷New York Times, February 29, 1948, p. 1.

appeared doubtful that final Congressional action on the recovery legislation could be obtained by the April 1 deadline, although State Department officials expressed hope that at least Congress would act before the crucial April 18 Italian elections. However, on March 8, Secretary Marshall, Ambassador Douglas, and Under Secretary Lovett appealed personally to Speaker Martin to expedite House action on ERP. Martin would not commit the House to final action before April 10. The Speaker did, however, call a meeting of House and Senate leaders for March 9 for the purpose of synchronizing the disposition of foreign aid legislation by the two Houses. At the meeting, Martin and Halleck refused to grant priority to ERP and insisted on omnibus treatment of foreign aid legislation. Eaton disagreed, arguing that ERP should have priority and that the measure should be largely in the form of the Senate bill.¹³⁸

Administration forces and Congressional supporters at this time increased the tempo of their demands for prompt Congressional action. President Truman, Secretary Marshall, other Cabinet officials, and Congressional leaders participated in a meeting at the Washington Cathedral on March 11, on the subject of "The Churches and ERP". Truman, Marshall, and John Foster Dulles urged immediate action on the recovery program, while calling for calmness in a "tense world situation".¹³⁹ Simultaneously, President Truman dispatched a request to Speaker Martin for \$55 million in additional interim aid for Italy, France, and Austria. The President, in his letter, emphasized the "extreme urgency" of the European situation.

¹³⁸Ibid., March 9, 1948, pp. 1, 13; Ibid., March 10, 1948, p. 8; Ibid., March 15, 1948, p. 3.

¹³⁹Ibid., March 12, 1948, pp. 1, 4.

Despite the opposition, House leaders on March 11 decided on the omnibus approach to foreign aid legislation. The Senate Republican Policy Committee reluctantly accepted this approach the following day.¹⁴⁰

On March 15, with ERP still confronting House delays, the White House surprised Congressional leaders with an announcement that President Truman would address a joint session of Congress March 17 on the "foreign situation". At the same time, the State Department served informal notice on Italy that the election of a Communist Government on April 18 would result in the termination of further United States assistance.¹⁴¹

In a surprise about-face, the House Republican Steering Committee, on March 16, agreed to advance the House timetable for ERP and other foreign aid legislation, as well as legislation relating to the defense establishment. Speaker Martin warned the group of a "grave crisis in our international relations." Under the new timetable, final House action was contemplated on foreign aid approximately two weeks hence--during Easter week. A scheduled recess over the Good Friday weekend was not disrupted, despite the objections of House Democrats.¹⁴²

Belatedly, President Truman invited Congressional leaders to the White House on March 16 for a preview of his scheduled March 17 speech to the joint session. The conference was cancelled, however, when Senators Vandenberg and Barkley announced that they could not be.

¹⁴⁰Ibid., pp. 1,2; Ibid., March 13, 1948, p. 1.

¹⁴¹Ibid., March 16, 1948, pp. 1, 5-6.

¹⁴²Ibid., March 17, 1948, pp. 1,2. Representative Howard Smith (D., Va.) angrily charged House Republican leaders with deliberate stalling tactics. Congressional Record, XCIV, Part 3, 3320.

absent from a previously scheduled meeting of the Foreign Relations Committee. At the same time, the White House announced that Secretary Marshall would give three foreign policy speeches in the immediate future.¹⁴³

Diplomacy was abandoned by the President in his March 17 speech as he bluntly accused Soviet Russia of plotting the subjugation of Europe. Truman demanded enactment of Universal Military Training, to be buttressed by a temporary draft to halt "threatened Communist control and police-state rule" of the remaining free nations in Europe. He again urged immediate adoption of ERP and pledged full United States support of the Western European Union agreement on economic cooperation and mutual defense signed at Brussels on March 17. Without directly so stating, the President clearly implied that his offer included full economic and military support.¹⁴⁴

On the same date as the President addressed Congress and the nation, the Foreign Affairs Committee completed action of the ERP phase of its foreign aid bill. The omnibus measure was reported to the House on March 19, with the committee Democrats publicly objecting to the joining of ERP and other aid programs in the same measure. Simultaneously, the Senate Foreign Relations Committee was completing its hurried consideration of aid for Greece, Turkey, and China.¹⁴⁵

While Secretary Marshall was pointing to the "grave" world

¹⁴³New York Times, March 17, 1948, pp. 1, 3.

¹⁴⁴Ibid., March 18, 1948, pp. 1,3.

¹⁴⁵Ibid., March 20, 1948, pp. 1,4.

situation in public addresses in California, the House Appropriations Committee prepared to act expeditiously on the President's request for \$55 million additional interim aid for Italy, France, and Austria. Only one day was required to complete House action on this measure, for which authorization had been granted the previous December.¹⁴⁶

One explanation for the crisis atmosphere enveloping Washington at this juncture was found in reports emanating from that city concerning the Government's official estimate of the status of Soviet-United States relations. Prior to the Czechoslovakian coup, the United States Government had assumed that the Soviet Union did not want war with this country. After that sobering event, however, this estimate was revised to include the possibility that the Soviet Union, acting in desperate haste to complete its subjugation of continental Europe before the Marshall Plan could be implemented, might proceed with its aggressive actions beyond the point of "no return".¹⁴⁷

House Consideration of ERP

On March 22, as the House passed the interim aid measure virtually without debate and without a record vote, the House Rules Committee, after hearing three Congressional witnesses, deliberated less than fifteen minutes in determining the procedure to govern House consideration of the omnibus aid bill. Over the objections of Congressman Eaton, who pressed for more expeditious action, the Rules Committee, by pre-arrangement with Speaker Martin and Majority Leader Halleck, ordered

¹⁴⁶Ibid.; Ibid., March 21, 1948, p. 1.

¹⁴⁷Ibid., March 21, 1948, E10.

fifteen hours' (approximately three days) general debate for the bill, after which it was to be read for amendments. Despite the mounting pressure for a cessation of the already protracted debate on ERP, there was little optimism that this action marked an end to obstructionist tactics by the opponents of the recovery program.¹⁴⁸

As debate opened in the House on March 23, Congressman Vorys, who guided the foreign aid measure through the House for Chairman Eaton and the Foreign Affairs Committee, read a letter from former President Herbert Hoover, who urged prompt approval of the foreign aid bill in the amount requested and restoration of many provisions contained in the Senate version of S.2202.¹⁴⁹ With the conversion of Hoover, who initially had opposed many aspects of the Administration and Senate bills, and with the anti-Communist tide mounting, the efforts to organize the House opposition to ERP were in a state of virtual collapse. This did not mean, however, that there would be no attempts made to emasculate ERP through crippling amendments.

After brief debate, the House adopted, by a roll call vote of 316 to 21, H. Res. 505, the rule governing debate on S.2202 as amended. The debate focused on the recovery bill itself, except for partisan

¹⁴⁸Ibid., March 23, 1948, pp. 1, 9. Representative Allen (R., Ill.), Rules Committee chairman, angrily denied the charges of Representative Smith (D., Va.), ranking Democrat on the Rules Committee, that the Republican leadership was delaying consideration of S.2202. He was bitter toward those who ". . . want to rush things through without debate or understanding." Congressional Record, XCIV, Part 3, 3321.

¹⁴⁹Ibid., pp. 3435-3436.

charges and countercharges in regard to the time allowed for debate.¹⁵⁰

Chairman Eaton opened the debate in the Committee of the Whole with a brief plea for quick passage of the bill. Fellow members of the Foreign Affairs Committee, including Representatives Vorys (R., Ohio), Courtney (D., Tenn.), Judd (R., Minn.), Jackson (R., Calif.), and Fulton (R., Pa.), explained the bill in detail.¹⁵¹

Arguments for and against the measure differed little from those heard in the Senate. Although the Foreign Affairs Committee version of S.2202 contained three additional titles providing aid to Greece, Turkey, and China, most of the debate centered upon ERP. The debate on the China aid feature was conducted on a fiercely partisan level, with the Republicans defending China aid provisions in the bill against Democratic attacks.¹⁵² The primary difference between Senate and House debate was a matter of emphasis. In the House, the anti-Communist and national security aspects of the foreign aid program, the question of trade with Soviet Russia and the Eastern European satellites, and the loyalty of personnel who would be charged with administering the aid program, were the focus of debate. The advisability of placing all foreign aid in one piece of legislation was

¹⁵⁰Ibid., pp. 3311-3321.

¹⁵¹Ibid., pp. 3322-3341.

¹⁵²In explaining these provisions of the bill, Judd charged the Administration with "appeasing" Soviet Russia since the war's end. He argued that ERP would be a futile effort unless the United States simultaneously acted to "save" Asia from Communist domination. Ibid., pp. 3328-3329. Representative Richards (D., S. C.), also a member of Foreign Affairs, charged that the committee had "only about 1 week of half-baked testimony on the subject of economic aid to China . . ." He strongly defended the Administration's China policy against attacks by Judd, Mundt, and others. Ibid., pp. 3430-3431.

argued intermittently throughout the debate, and the question of Germany's place in the reconstruction program was a prominent issue. The question as to Spain's inclusion in the recovery program aroused intense and heated debate. In general, the House consideration of the aid bill was more strident, more acrimonious, and noticeably more partisan than was the Senate debate of the recovery program.

Although the Foreign Affairs Committee reported the foreign aid bill unanimously to the House, this unanimity was not reflected during the House debate. Democratic members objected vigorously to the omnibus character of the measure and made attempts to separate the various titles by floor amendments. Republican members just as strenuously defended their workmanship and successfully resisted the efforts to separate ERP from other provisions of the bill. The conduct of foreign policy by the Administration was the subject of frequent criticism by Republican members of the committee, who presented the committee version of S.2202 as the sole effort to develop a comprehensive foreign policy during the postwar era. Democratic members, in most instances, arose to the defense of American foreign policy as conducted by Democratic Presidents.¹⁵³ Of the forty-seven sub-

¹⁵³Representative Sol Bloom (D., N. Y.), ranking Democrat on Foreign Affairs, directed his opening remarks to criticism of the committee's Republican majority for consolidating aid in one package. Representative Vorys argued that the committee majority and the House leadership adopted the omnibus approach in an effort to develop a "world-wide foreign policy." *Ibid.*, pp. 3323-3324. Representative Courtney charged that if the committee majority had not delayed consideration of ERP by its adoption of the omnibus approach, Czechoslovakia would not have fallen "behind the Iron Curtain". *Ibid.*, p. 3325. Representative Mundt, another member of the committee, announced in his opening remarks several conditions which would have to be implemented simultaneously with ERP in order to render the latter effective. His conditions included implementation of the Voice of America program, renunciation of the Morgenthau Plan for Germany, elimination of Communists

stantive amendments proposed to S.2202, sixteen were submitted by various members of the Foreign Affairs Committee. Quite frequently, members found themselves on opposing sides of the various issues. This division at least contributed to the adoption of certain amendments considered objectionable to committee spokesmen. Representative Vorys, who handled the bill for Chairman Eaton, frequently was overruled by the Committee of the Whole in his efforts to limit debate or bring dilatory tactics to an end. He received little assistance, in this regard, from the Chairman of the Committee of the Whole, Representative Francis Case (R., S. D.). Attendance during the debate, as indicated by votes within the Committee of the Whole, was poor.

Of the forty-seven substantive amendments offered to S.2202 in the Committee of the Whole, twenty-two were accepted. Of the amendments accepted, sixteen were presented either by or on behalf of the Foreign Affairs Committee or were acceptable to it. Of the twenty-five amendments rejected, the spokesmen of the Foreign Affairs Committee made specific objections to twenty-three. Of the total amendments proposed, committee spokesmen expressed opposition to twenty-nine. Their arguments prevailed in twenty-three instances.

Of all the amendments proposed, possibly the most controversy was generated by: (1) a substitute proposed by Ralph W. Gwinn (R., N. Y.); (2) an amendment by Alvin E. O'Konski (R., Wis.) to include Spain in the countries eligible to participate in ERP; (3) a group of amendments

from the Federal Government, development of a "consistent" foreign policy vis-a-vis the Soviet Union, and restructuring of the United Nations to exclude Communist nations. Ibid., p. 3415.

offered by Walter H. Judd (R., Minn.), Christian A. Herter (R., Mass.), and James C. Davis (D., Ga.), relating to loyalty investigations of persons employed by the Economic Cooperation Administration; (4) an amendment by William M. Colmer (D., Miss.) to eliminate the provision of the committee bill authorizing the charter of 200 dry-cargo ships to participating countries, and an amendment by Willis W. Bradley (R., Calif.) requiring at least 50 percent of the materials acquired in the United States for ERP to be shipped in American vessels; (5) an amendment by Colmer and a substitute offered by Karl E. Mundt (R., S. D.), relating to the question of exports to the Soviet Union and Eastern Europe; (6) an amendment by Charles W. Vursell (R., Ill.) to decrease appropriations authorized for ECA during the first year of the program from \$4.3 billion to \$3 billion; (7) amendments by Lawrence H. Smith (R., Wis.) and John Phillips (R., Calif.) to limit the term of the United States commitment to participating countries; and (8) amendments by Mike Mansfield (D., Mont.) and James P. Richards (D., S. C.) to eliminate those provisions of the bill relating to economic and military aid to Greece, Turkey, and China (Titles III and IV).

The Gwinn substitute, initially ruled not germane and subsequently rejected on a division, 60 to 103, would have established a corporation with a revolving fund of \$500 million for the purpose of performing foreign relief operations.¹⁵⁴ Those accepting this approach obviously rejected the studied conclusions of the many persons who contended that further relief measures could not solve the

¹⁵⁴Ibid., pp. 3627-3628, 3641.

European problem. Nevertheless, the proposal received a large measure of support from the isolationist element.

The O'Konski amendment making Spain eligible to participate in ERP provoked the most heated controversy of the debate. Adopted on a division, 149 to 52, and subsequently reaffirmed by the whole House on a division, 188 to 104, the proposal split the Committee on Foreign Affairs along partisan lines and caused a sharp reaction by the Administration. President Truman warned that this provision would destroy the entire program and that it must be deleted in conference. Debate on the amendment was limited to five minutes by the House leadership, which also prevented a record vote on the issue. This was but one of many miscalculations of the Congressional and public sentiment by the House Republican leadership during the protracted consideration of the recovery program. In support of Spanish inclusion in the recovery program, it was advanced that the primary intent of the program was to halt the spread of Communism in Europe. Since Spain was the most fervently anti-Communist nation in Europe, it was illogical and inconsistent to exclude her from the program. In the course of the recurring debate on this issue, the Administration was denounced as a "haven" for Communists and Communist-sympathizers, for an alleged "softness" toward Communism, and for "appeasement" of the Soviet Union. ¹⁵⁵

¹⁵⁵In offering the amendment, O'Konski charged that to eliminate Spain from participation in ERP ". . . is nothing but shameful and stupid appeasement of the pinkos in our State Department and Department of Commerce." Ibid., pp. 3428-3429. Representative Smith (R., Wis.) bitterly attacked the State Department, charged Secretary Marshall with "taking sides" with the Chinese Communists, and wondered if the Administration was ". . . actually interested in stopping communism." Ibid., pp. 3441-3442. The motion to limit debate on the O'Konski

S.2202, as reported by the Foreign Affairs Committee, provided that no United States citizens or residents could be employed by ECA until an investigation had been made by the Federal Bureau of Investigation and a report made to the Administrator or Secretary of State. Employees already in Government service could be utilized temporarily pending the FBI investigation. Throughout the entire House debate, any discussion of the administrative aspects of the foreign aid program focused largely upon the alleged problem of "Communists-in-Government" rather than upon any general principles of sound public administration. The debate on this provision of the bill indicated a strong sentiment in support of requiring a favorable FBI report prior to employment of ECA personnel, until it was pointed out that the FBI could not be made the appointing authority. A compromise finally was reached among the contending forces which required the Administrator or the Secretary of State to certify his belief, on the basis of the FBI report, in the "unquestioned loyalty" of the employee and that such employee "is not now and never has been a member of any organization advocating contrary views" to the American system of government. Copies of the certification were to be filed with the Senate

amendment was made by Vorys, with the explanation that a majority of the Foreign Affairs Committee had agreed "not to object." In the short time allotted him, Bloom scathingly denounced the amendment and Vorys' action in limiting debate. Ibid., p. 3706. Throughout the remainder of the debate there were several unsuccessful efforts made to remove the O'Konski amendment. Ibid., p. 3874. In addition to President Truman's "unalterable" opposition to the amendment, the State Department urged that it be stricken lest it damage the American position that ERP was designed to promote democracy and peace. Defense Department officials, however, observed that Spain would be a valuable ally in the event of war with Soviet Russia. New York Times, March 31, 1948, p. 4; Ibid., April 2, 1948, pp. 1, 19.

Foreign Relations Committee and the House Foreign Affairs Committee. Further amendments were adopted which suspended this requirement for a period of three months at the beginning of the program and permitted present employees of the Federal government to be assigned to ECA for three months without the prior FBI investigation.¹⁵⁶

On behalf of the shipping interests and the coastal states, Representative Colmer (D., Miss.) offered an amendment to delete the provision of the committee bill authorizing the charter of 200 merchant ships to participating countries; and Representative Bradley (R., Calif.) proposed to reinsert the provision adopted by the Senate requiring at least 50 percent of the materials acquired in the United States for ERP

¹⁵⁶ Representative Klein (D., N. Y.) demanded an investigation of the "administrative inefficiency and unbalance in the structure" of the State Department and charged that large American oil companies exerted an undue influence in the State Department. Ibid., pp. 3319-3320. Representative Jensen (R., Iowa) thought the bill should have some provision for "stopping Communism" in America since the Communists were ". . . running rampant all over this country." Ibid., p. 3423. Representative Hoffman (R., Mich.) demanded a thorough "fumigation" of "Reds", "near-Reds" and "red sympathizers and fellow travelers" in the Federal administrative agencies. Consuming over an hour on personal privilege, the cantankerous Hoffman gleefully conceded he was only "getting even" with the Foreign Affairs Committee "for all the things they ever did to me." Ibid., pp. 3513-3514. Representatives Eberharter (D., Pa.) and McDowell (R., Pa.) engaged in heated argument after McDowell questioned the loyalty of a fellow Pennsylvanian employed by the Commerce Department. Ibid., pp. 3641-3642. Representative Cox (D., Ga.) advocated the employment only of those personnel who "believe in and support our American system of society and Government. . . ." Cox charged that certain of the persons who participated in the conception and planning of ERP ". . . either are or were Soviet sympathizers, while others were affiliated with Communist front organizations. Some are or were Socialists . . ." He did not produce evidence to substantiate his charges. Ibid., p. 3624. In regard to the Judd-Mundt amendment, requiring certification of "unquestioned loyalty", Representative Eberharter unsuccessfully argued that the language "and has never been a member of any organization advocating contrary views" would bar from Government employment many people of complete loyalty. The authors suggested the language could be improved in conference. Ibid., pp. 3726-3730.

to be carried in American bottoms if such were available at market rates. Although opposed vigorously by members of the Foreign Affairs Committee, both amendments were adopted.¹⁵⁷

During the general debate, much emphasis was placed upon the subject of trade with Soviet Russia and Eastern Europe, both by the United States and by the participating nations. Both proponents and opponents of S.2202 voiced objections to continued trading with Soviet Russia. The Administration was criticized severely for sanctioning such trading.¹⁵⁸ Representative Colmer proposed to prohibit the export of commodities or technical data to any country which had ". . . announced its intention to prevent the success of the European recovery program." Representative Mundt proposed a substitute amendment which, although unacceptable to Colmer, was adopted by the Committee of the Whole. Under the Mundt amendment exports both from the United States and participating countries were to be controlled by (1) prohibiting exports to nonparticipating European countries when determined by the Administrator that such would not be in the national interest and (2)

¹⁵⁷Ibid., pp. 3733-3750. The example of Colmer, a member of the Foreign Affairs Committee, bringing this issue before the House subsequent to the adoption of a policy by the committee characterized the disunity of the committee. Not only were the House managers for the bill unable to muster sufficient votes to defeat the amendments, but they also were unsuccessful in limiting debate. Representative Judd argued that the subsidization of the American merchant marine should not be the burden of ERP. Mundt charged the shipping industry with "raiding" the ERP bill. Vorys ridiculed the "special interest flag-waving plea" and chastised the House for wanting to conduct a "WPA program for American shipping interests, at the expense of the taxpayers"

¹⁵⁸Among others, criticisms were expressed by Representatives Smith (R., Wis.), McGregor (R., Ohio), Colmer (D., Miss.), Rizley (R., Okla.). Ibid., pp. 3443, 3518, 3538, 3651.

by prohibiting exports to participating countries of commodities which were to be used in producing goods for export to nonparticipating countries, if the end product could not be exported from the United States under its export control laws and regulations. Colmer was not convinced that the Mundt amendment was strong enough, while supporters of S.2202 pleaded that it was ". . . next to a declaration of war" ¹⁵⁹

The isolationist opposition to S.2202 was marshalled in support of the Vursell amendment to reduce the ERP authorization from \$4.3 billion to \$3 billion. Whereas Vursell argued that even \$3 billion was more than adequate to meet Europe's legitimate requirements, opponents of the amendment insisted that the \$5.3 billion sum recommended by the Foreign Affairs Committee was at best a minimal amount to achieve genuine European recovery. After vigorous and lengthy debate, the Vursell amendment was rejected on a division, 61 to 112. ¹⁶⁰

¹⁵⁹ Representative Folger (D., N.C.) charged that the committee (Mundt) substitute amendment was "next to a declaration of war against Russia, a thing that is premature, is not helpful, and would put us in a bad light in our protestations that we are trying to bring about a peaceful . . . world," Ibid., pp. 3754-3760.

¹⁶⁰ Debate on the Vursell amendment was more intense than on any other portion of the bill. Thirty members took the floor to speak on the amendment, which involved the heart of ERP. The bitter attacks of the amendment's supporters moved Minority Leader Sam Rayburn (D., Tex.) to say he had heard "some very familiar talk here today" He then chastised those present who had opposed appropriations for defense preparations in the late 1930's, charging that had they voted differently the United States might never have been attacked. Representative Dirksen (R., Ill.) scolded his fellow Republicans, saying that if the amendment were adopted the Marshall Plan would become the "partial plan". He considered it strange that "men will come into the well of this House and talk about billions for aircraft in preparation for the next war and yet resolutely take a stand against this proposal which might spare the world another bloody struggle To you on my side let me say to you that we have our responsibility, because we are in charge of this body at the present time. If the program fails because we are too niggardly, it will be our failure." Ibid., pp. 3810-3828.

As S.2202 had emerged from the Foreign Affairs Committee, it had required both an annual authorization and appropriation for ERP. Appropriations were to be made available until 1952, however. During the general debate there was much discussion concerning whether a moral commitment was being made for United States participation beyond the first year of the program. Some argued that despite the language of the committee bill the United States was being committed to a four-year program. Some supporters felt that their vote would commit them to support the continuation of the program. Opponents, as well, expressed the view that once the program was initiated, they would be obligated morally to vote for its continuance. A proposal by Representative Smith (R., Wis.), a member of the Foreign Affairs Committee, to declare specifically that there was no "legal or moral obligation upon any succeeding Congress to continue the present aid program beyond 12 months" was defeated by the narrow margin of 117 to 127 on a teller vote. Two similar proposals, advanced by Representative Phillips (R., Calif.), were defeated: one on a voice vote, the other on a division, 47 to 78. Throughout the debate, the House leadership had displayed sympathy toward the use of delaying tactics by the opponents of S.2202. An example was seen at this point in the overruling of protests by the managers of the bill that the objective of the Phillips amendments had been rejected clearly in the defeat of the Smith amendment.¹⁶¹

¹⁶¹As debate concluded on the Smith amendment, Representative Vorys angrily addressed his fellow Republicans: ". . . Brethren, this is it. For years we have thundered against the piecemeal, stopgap foreign policy of the New Deal. We have demanded a long-range, world-wide policy, and we have got it, here, now formally set down, carefully framed and limited, and largely written by Republicans; and what happens? We find Republicans on this floor who want to go back to the New Deal

Throughout the debate, Democrats had attacked the motives of the Republicans in combining other aid programs with the ERP legislation. Although certain to be rejected, at the appropriate time the Democrats offered amendments to delete from the bill those portions relating to Greek, Turkish, and Chinese aid. Representative Mansfield (D., Mont.) offered an amendment to delete Title III, providing military aid to Greece, Turkey, and China, while Representative Richards (D., S.C) proposed to delete economic aid to China (Title IV). There was little debate on either amendment. As a matter of fact, the Committee of the Whole dispensed with the reading of Titles II, III, and IV. This fact, in addition to the brief debate on the three titles, lent credence to Democratic allegations that insufficient study and consideration had been given to the measures. Both amendments were rejected overwhelmingly: the Mansfield amendment on a division, 18 to 152, and the Richards proposal on a division, 31 to 113.¹⁶²

Following the abortive attempts to delete Titles III and IV, the debate came to a close on March 31. The question was put on the committee substitute for the Senate bill, as amended in the Committee of the Whole. Agreement was given to the committee substitute and the Committee of the Whole then reported to the House. After third reading,

emergency stopgap year-to-year relief plan We are suffering from congressional foot and mouth trouble here, members who drag their feet and foam at the mouth day after day against anything we are trying to do here, while we try to get ahead with this gigantic and pressing task" Ibid., pp. 3828-3834.

¹⁶² Ibid., pp. 3757-3872. Representative Mansfield charged that the Foreign Affairs Committee had consumed only two hours and fifty minutes in its consideration of Titles II, III, and IV.

a motion by Representative Johnson (D., Okla.) to recommit was rejected. On the question of passage of the bill, S.2202 passed, 329 to 74, with two members answering "present" and twenty-six not voting. Voting with the majority were 171 Republicans and 158 Democrats. Eleven Democrats joined sixty-one Republicans and two American Labor Party members in opposition to passage. The Democrats in opposition represented constituencies in Georgia, Louisiana, Michigan, Mississippi, New York, North Carolina, Oklahoma, South Carolina, and Virginia. The Republican opposition to the passage of S.2202 was concentrated in traditionally conservative Midwestern states: fifty-one of the sixty-one negative Republican votes were cast by Representatives from Illinois (12), Indiana (5), Iowa (2), Kansas (2), Michigan (7), Minnesota (3), Missouri (6), Nebraska (4), North Dakota (1), Ohio (6), South Dakota (1), and Wisconsin (2). The remaining ten Republican opposition votes were distributed among the following states: California (1), Colorado (1), Idaho (1), New Jersey (1), New York (2), Oklahoma (1), Pennsylvania (1), and West Virginia (2).

Among the state delegations in the House, the favorable vote on S.2202 ranged from 100 percent (twenty-two states) of those voting to 43 percent (Michigan) of those voting. ERP received its poorest support in Idaho (50%), Illinois (48%), Indiana (50%), Michigan (43%), Missouri (54%), North Dakota (50%), Oklahoma (57%), and South Dakota (50%). The four-member Republican Nebraska delegation voted solidly against ERP. Support among the voting members of the Colorado, Iowa, Kansas, Minnesota, Ohio, and West Virginia delegations ranged from 62 percent (Minnesota) to 75 percent (Colorado, Iowa). In the remaining

thirty-three state delegations, support for ERF among those voting ranged from 78 percent (Wisconsin) to 100 percent (twenty-two delegations).

The House next proceeded to insist on its amendments and ask for a conference with the Senate. Speaker Martin appointed as conferees Representatives Eaton, Vorys, Mundt, Bloom, and Keefe. With the exception of Keefe, all were members of the Foreign Affairs Committee. Keefe, a conservative Wisconsin Republican, was a member of the Appropriations Committee and had demonstrated no great fondness for ERF.¹⁶³

Acting expeditiously, the Senate agreed to the request for a conference. Appointed as Senate conferees were Senators Vandenberg, Capper, Wiley, Connally, and George. The Senate conferees used as their conference vehicle the version of S.2202 adopted by the Senate on March 13, in addition to subsequently adopted measures largely similar to Titles II, III, and IV of the House bill.¹⁶⁴

Beginning early in the morning of April 1, the conferees labored continuously until midnight in reaching a compromise.¹⁶⁵ On the next day, the conference report was accepted by both Houses with little debate. The House adopted the report on a vote of 318 to 75, with two members answering "present" and thirty-six not voting. The report was accepted by the Senate on a voice vote. On April 3, 1948, President

¹⁶³Ibid., pp. 3874-3875.

¹⁶⁴Ibid., pp. 3894-3900, 3972.

¹⁶⁵New York Times, April 2, 1948, pp. 1, 19.

Truman signed into law the Foreign Assistance Act of 1948.¹⁶⁶ The President magnanimously expressed his appreciation to Congress for its assistance in a cooperative venture.¹⁶⁷

The Foreign Assistance Act of 1948

In form, the Foreign Assistance Act of 1948 more nearly resembled the House version of foreign aid legislation.¹⁶⁸ The Senate previously had accepted the omnibus approach and thus there was no major area of disagreement confronting the conferees in this matter. There were some adjustments to be made as to the amounts of aid for Greece, Turkey, and China.

In content, the House receded from an amendment designed to effect closer political relationships among the participating nations. The Senate, as well as the Administration, had maintained consistently that ERP was an economic undertaking and that the United States must not attempt to dictate to the participants in political matters. The major accomplishment of the Senate conferees was to secure the agreement of their House counterparts to delete the specific inclusion of Spain as a participating country. President Truman had insisted that this matter should be left to the determination of the participants themselves.

In respect to the membership of the Public Advisory Board (to

¹⁶⁶Congressional Record, XCIV, Part 3, 4034-4036, 4053-4070.

¹⁶⁷New York Times, April 4, 1948, pp. 1, 4.

¹⁶⁸References to the Foreign Assistance Act of 1948, unless otherwise cited, are from the Conference Report, in Congressional Record, XCIV, Part 3, 4061-4063.

advise the Administrator), the House accepted the position of the Senate and the Administration that qualifications of members should relate to their broad and varied experience in matters affecting the public interest without reference to economic interest groups. The Senate accepted the more stringent House provisions regarding loyalty of ECA personnel. House amendments relating to accounting procedures to be followed by the Administrator were accepted by the Senate. The Senate agreed to House amendments authorizing guarantees of investments in information media. The House receded from amendments specifically naming certain commodities to be included within the definition of "surplus agricultural commodities". The Senate accepted the House demand for annual authorizations as well as appropriations and the House formula authorizing a first-year appropriation of \$4.3 billion in addition to a "public debt transaction" of \$1 billion. The total, \$5.3 billion, involved no disagreement between the two Houses. In regard to the United States assets and earnings of citizens of the participating countries, the Senate accepted the House amendment requiring that such assets and earnings be put into "appropriate" use in support of ERP. This subject had received much attention throughout the hearings and debates, with much pressure being brought to bear upon the Administration to assist the participating countries in locating, identifying, and controlling such assets and earnings.

The subject of repayment of American assistance had proved to be one of the most contentious features of the hearings and debates. The Administration and Senate, in general, had cautioned against overstating the possibilities of repayment. Both the Senate and House,

however, exhibited a greater sense of expectancy in this matter than did the Administration. The Senate had adopted a provision for inclusion in the bilateral agreements, if applicable, under which a participating country

would undertake within reasonable limits to facilitate the transfer to the United States, for stock-piling purposes, of materials required by the United States as a result of deficiencies or potential deficiencies in its own resources

A House amendment to include "other purposes" than stock-piling was accepted by the Senate, so that scrap iron and similar materials needed immediately would not have to be stockpiled.

The House also added a provision, to be included in the bilateral agreements where applicable, requiring the participating countries to undertake to provide future schedules of minimum availabilities to the United States for future purchase and delivery, and also to provide an agreed schedule of increased production of such materials in repayment on a long-term basis of grants or loans made by the Administrator to the participating countries. A compromise agreement, reached by the conferees, provided that the bilateral agreement would bind the participating country only to agree to negotiate, and that a portion of the increased production of such materials would be transferred to the United States on a long-term basis in consideration of general assistance rather than in repayment of specific grants or loans.

The Senate accepted a House amendment authorizing the Administrator to refuse delivery to participating countries of commodities or products going into the production of products for delivery to nonparticipating European countries, if such products would be refused export

licenses to those countries by the United States in the interest of its national security. The House managers agreed to a provision advocated by the Senate conferees that if the Administrator believed that the export of a commodity to a nonparticipating country was not in the best interests of national security, he was to so advise the export-control authority (Department of Commerce). If the export-control authority did not act, the matter then would be referred to the President. The original House (Mundt) amendment had given the Administrator the authority to make this decision.

The House retreated from its adamant position in regard to the Joint Committee on Foreign Economic Cooperation, after the Senate conferees agreed to change the composition of the proposed committee to a total of ten members, rather than fourteen, with five members from each House to be selected by the chairmen of the Appropriations and foreign relations committees from among the membership of those committees.

The feature of the House bill authorizing the Administrator to create a corporation, if he deemed it necessary, to assist him in administering the act, was retained in the conference report.

The House managers of S.2202 were elated over the results of the conference. They felt that they clearly had out-manuevered the Senate conferees, pointing out that they had retreated only in the matters of Spain and the joint "watchdog" committee. Adoption of the conference report by the House brought declarations that this event " . . . totally and finally marks the end of the era of appeasement which this country has followed since the conference at Teheran,"¹⁶⁹

¹⁶⁹Ibid., pp. 4064-4065.

Senator Vandenberg casually compared the conference report with S.2202 as it originally had passed the Senate, noting few major changes and displaying satisfaction with the final result.¹⁷⁰

Implementation of the Recovery Program

S.2202, as signed by the President, contained a provision authorizing the Reconstruction Finance Corporation to advance the Economic Cooperation Administration up to \$1 billion for immediate implementation of the recovery program, pending action by Congress on the actual appropriation measure.

As early as February, when the final form of ERP---and even the question of its passage were much in doubt, a group of Government experts began work on the operational problems expected to be associated with ECA. The product of their efforts was a so-called "primer" of fundamentals on ECA, its objectives, and an outline of suggested procedures. A skeleton staff, under Paul H. Nitze, Deputy Director of the State Department's Office of International Trade, was established to put the recovery program into motion until the Administrator had been appointed by President Truman and approved by the Senate.¹⁷¹

The question of the Administrator of the recovery program figured prominently in the movement of S.2202 through Congress. Throughout the hearings and debates, it was continually emphasized that the success of the program would depend ultimately on the President's

¹⁷⁰Ibid., pp. 4034-4036.

¹⁷¹New York Times, April 5, 1948, pp. 1,6; Ibid., April 11, 1948, E9.

selection of the Administrator. Speculation abounded as to the ultimate selection. Those mentioned in the speculation included Paul G. Hoffman, President of the Studebaker Corporation; Philip D. Reed, Chairman of the Board, General Electric Co.; former Under Secretaries of State Will Clayton and Dean Acheson; Charles E. Wilson, President, General Electric Co.; Ambassador Lewis Douglas; Bernard Baruch; former President Herbert Hoover; and Secretary of Commerce Averell Harriman.¹⁷²

On April 5, President Truman named Hoffman, a Republican, to be the Administrator of ECA. Although Hoffman was an ardent and eloquent advocate of ERP, having served on the Harriman Committee, it is probable that he was not the President's first choice as Administrator. Reportedly, the President gave serious consideration to the appointment of Acheson and Wilson. Acheson was tied too closely to the Democratic Administration and to the State Department, however, as was Will Clayton, Secretary Marshall's choice for the appointment. The same stigma attached to Ambassador Douglas, despite his close relationships with influential members of Congress. Wilson, unfortunately, had signed the civil liberties report, which had been the basis of Mr. Truman's civil rights recommendations to Congress. In view of the discord and dismay accompanying the submission of these recommendations to Congress, Wilson obviously would have been an unpopular selection. Hoffman, on the other hand, was being supported actively for the appointment by Senator Vandenberg, who was in a commanding position to effect a compromise. Hoffman, in addition, had the support of the chairmen of the powerful

¹⁷²Ibid., January 29, 1948, p. 18; Ibid., April 5, 1948, pp. 1,6.

Senate and House Appropriations Committees, Senator Styles Bridges (R., N.H.) and Representative John Taber (R., N.Y.), as well as that of Secretary of Commerce Harriman. In the end, Hoffman received the appointment, which was confirmed quickly by the Senate.¹⁷³

The Appropriations Struggle

Full implementation of ERP depended upon the outcome of the forthcoming deliberations of the powerful Appropriations Committees. Apprehension prevailed, particularly in regard to the prospective recommendations of the House Appropriations Committee, led by the ultra-conservative John Taber. Taber had been vitriolic in his denunciation of the recovery program during the House debate, promising that his committee would study the program in every detail before making any effort to implement the authorization.¹⁷⁴ Bridges, also a conservative and lukewarm toward ERP, had insisted in Senate debate on assurances from Vandenberg that no undue pressures would be applied against his committee in regard to its recommended appropriation.¹⁷⁵ Further cause for apprehension among ERP supporters derived from the knowledge that S.2202 had received many votes cast with the often-explicit hopes that the Appropriations Committees would be less than generous in their recommendations for appropriations.¹⁷⁶

¹⁷³Ibid., April 6, 1948, pp. 1,9,10; Vandenberg, p. 394.

¹⁷⁴Congressional Record, XCIV, Part 3, 3852.

¹⁷⁵Ibid., Part 2, pp. 2707-2708.

¹⁷⁶For example, Representative Case (R., S.D.) stated early in the debate that he would feel free to vote for S.2202 only with the understanding that its approval would constitute no commitment to make an appropriation in any specified amount. Ibid., Part 3, p. 3319.

Taber was unperturbed by the mounting pressures to commence hearings on the foreign aid appropriation measure. In an unusual move, Bridges announced on April 4 that his committee would not await final House action, as was customary on appropriations measures, prior to beginning its hearings.¹⁷⁷ The reasons underlying the diametrically opposite responses to the same pressures probably could be discovered in the attitudes motivating action in the Senate and in the House. Although conservative leadership prevailed in both Houses, there was no Senator Vandenberg in the House of Representatives nor was the influence of the House Committee on Foreign Affairs comparable to that of the Senate Foreign Relations Committee. Vandenberg was a part of the Senate leadership. In addition, the membership of his committee consisted for the most part of leaders of both parties in the Senate. Once action had been completed on the ERP authorization measure, the role of the House Foreign Affairs Committee and its members had been completed. Exercising predominant influence now was the powerful Appropriations Committee.¹⁷⁸

Pressures continued to mount for Congress to complete its action

¹⁷⁷ Taber was attacked editorially by the New York Times for his insistence that ERP required further study. The Times thought " . . . that the country can well dispense with his particular brand of statesmanship" New York Times, April 2, 1948, p. 22; Ibid., April 5, 1948, pp. 1, 6.

¹⁷⁸ " . . . Upon no group has the House devolved so much power as it has upon the Committee on Appropriations. Its bills are rarely seriously challenged on the floor. The protests arising there usually concern domestic projects which some Congressmen feel have been treated unfairly. In the case of foreign policy appropriations the House rebels only occasionally when it feels the committee has not cut deeply enough" Carroll, pp. 142-143.

on the European Recovery Program. President Truman demanded quick action and appropriation of the full \$4,245,000,000 authorization for ECA. Although House leaders had promised on April 12 to give first priority to the ERP funding measure, such was not to be the case.¹⁷⁹ In Europe, the sixteen nations scheduled to participate in ERP were completing action toward the creation of a permanent central organization to oversee the operation of the recovery program.¹⁸⁰ Representative Taber scheduled hearings on the foreign aid appropriation to begin before his committee on April 20. He warned that the hearings might continue for weeks because, in his view, the legislative committees which had passed upon the enabling legislation did not have adequate data upon which to base their recommendations for appropriations.¹⁸¹

House Reduction of ERP Appropriation

Hearings on the Foreign Aid Appropriation Bill of 1949 began before the Deficiencies Subcommittee of the House Appropriations Committee on April 20 and continued through May 21. Sixteen days of hearings were devoted to ECA while twelve days were reserved for other aspects of the foreign aid appropriation. Testimony of the witnesses was contained in two printed volumes totaling 1586 pages. Sixty-eight Government witnesses testified on highly technical aspects of the aid

¹⁷⁹New York Times, April 13, 1948, p. 1; Ibid., April 15, 1948, p. 19.

¹⁸⁰Ibid., April 15, 1948, p. 19.

¹⁸¹Ibid., April 16, 1948, p. 9.

program.¹⁸² The committee staggered the supporters of ERP and created an immediate furor with its report, which was submitted to the House on June 3. Although recommending an appropriation for ECA of \$5,055,000,000, an ostensible reduction of only \$245,000,000 from the authorization, the committee in reality reduced the ECA appropriation by \$2,001,000,000 through the stratagem of changing the basis of the appropriation from twelve to fifteen months. The committee reasoned that it had provided the maximum amount which could be expended intelligently during the fifteen month period. If a necessity for additional funds should arise, it reasoned further, Congress would be in session and could then consider the "emergency". The committee pointed to past expenditures for foreign aid and criticized their "wasteful" administration. It further justified its action on the basis of the "dwindling assets and domestic economy" of the United States. In attempting to justify its protracted hearings, the committee assailed the ". . . complete instability in the estimates and other data . . ." presented in justification of the \$6,533,710,228 requested for all aspects of foreign aid. The Administration was criticized for the "absence of definite policy" in the execution of the program which only recently had been authorized. Despite its faith in its own judgment as opposed to that of the hundreds of experts who had supported the requested ERP authorization, the committee declared the impossibility of ascertaining the actual needs of the participating countries within a billion dollars. The committee also substituted its

¹⁸²U. S., Congress, House of Representatives, Subcommittee on Deficiencies of the Committee on Appropriations, Hearings on the Foreign Aid Appropriation Bill for 1948, 80th Cong., 2nd Sess., 1948, 2 parts.

judgment for that of the experts in its estimate of the prospects for the 1948-1949 crop year in Europe, concluding that "substantial savings" could be realized because of this "fact". The committee looked askance at the amount of the authorization measure contemplated for the incentive item of tobacco, terming this a "luxury". It directed that surplus United States wool be utilized in the program. It was critical of contemplated exports of coal from the United States. It did not believe that European farms could be mechanized to the extent contemplated in the authorization measure. The committee expressed the view that grants should be held to a minimum. Authorized funds for aid to Greece, Turkey, and China also were decreased by the committee. The policies of the Administration in regard to the occupation of Germany were censured. Legislative riders were attached in connection with the use of "counterpart" currencies and the administration of ECA funds in occupied areas. By other riders the jurisdiction of the joint "watchdog" committee was extended and the Administrator was directed to utilize in ERP certain commodities which had been contracted for export but which had been denied licenses under the new Government export-control program initiated on March 1.¹⁸³

Chairman Taber issued a statement apart from the report in which he charged that the "real aims" of foreign aid had been "grossly misrepresented" to the American public.¹⁸⁴ The House Rules Committee

¹⁸³U. S., Congress, House, Committee on Appropriations, Foreign Aid Appropriation Bill, 1949, 80th Cong., 2nd Sess., 1948, Report No. 2173, to accompany H. R. 6801, pp. 1-10, in House Miscellaneous Reports, IV (Washington: U. S. Government Printing Office, 1948).

¹⁸⁴New York Times, June 4, 1948, pp. 1, 8.

quickly granted a rule governing debate on H. R. 6801, the "Foreign Aid Appropriation Bill of 1949". The rule allowed four hours of general debate and forbade points of order against legislative provisions in the bill.¹⁸⁵ Despite the efforts of a "restorationist" coalition led by Representatives Everett Dirksen (R., Ill.) and Clarence Cannon (D., Mo.) the House, under the firm control of Taber, Martin, and Halleck, passed the "Taberized" foreign aid appropriation on June 4. Only two minor amendments not to the liking of the leadership had been adopted. There were no record votes. The issue was largely one of party regularity, with Republican members waiting restlessly about the House chamber for the opportunity to vote. Also involved was the rivalry between the Appropriations Committee and the Foreign Affairs Committee, with members of the latter assisting in the vain effort to stem the isolationist tide.¹⁸⁶

¹⁸⁵H. Res. 633. Congressional Record, XCIV, Part 6, 7163-7168. The rule was accepted by a vote of 329-22.

¹⁸⁶Ibid., pp. 7168-7213; New York Times, June 5, 1948, pp. 1,5. In his opening remarks, Taber told the House that ". . . the architects of this world-wide relief program have no definite plan and no definite program. There is no Marshall planThe budget estimates . . . appeared to be the result of a series of after-dinner conversations in which administration economists and planners let their imaginations run riot." Congressional Record, XCIV, Part 6, 7168. He charged that the hearings had revealed a ". . . complete lack of substantiating evidence on the proposed needs and requirements of the participating countries" Ibid., p. 7169. Representative Cannon charged that no evidence had been adduced which warranted the reduction adopted by the Appropriations Committee. He contended that enactment of the recovery program legislation already had accomplished beneficial results in Europe, not the least of which was restoration of hope in the participating countries. Ibid., p. 7171. Representative Stefan (R., Neb.) defended the actions of the Appropriations Committee, praising its endeavor ". . . to put Americanism at the head of the priority list" Ibid., p. 7176. Representative Vorys charged the Appropriations Committee with "tampering" with legislative policy. Ibid., p. 7195. Tempers grew extremely

Response to House Action

The House action brought dismay in Europe as well as in the United States. Supporters of ERP charged that the "irresponsible" action had shaken world confidence in American leadership and could only benefit the cause of the Soviet Union and world Communism. Members of both major parties viewed the move as damaging to the progress that had been made in the postwar period toward establishing a bipartisan foreign policy, i.e., a foreign policy which was consistent, reliable, and would both reassure the friends and confound the enemies of the United States. European Communists capitalized upon the House action, pointing to it as an example of United States insincerity and instability.¹⁸⁷

Undoubtedly because of the proximity of the approaching Presidential campaign, a move developed within the Republican party to prevent the dominance of the Taber-Martin-Halleck views on foreign policy. A serious question as to the leadership abilities of the party had arisen as a consequence of the House action. Senator Vandenberg took the lead to restore the ERP funds in the Senate, informing reporters on June 6 that he was taking the unusual step of requesting an audience before

short during the debate, as when Representative Case (R., S. D.) charged that Representative Cooley (D., N. C.) was opposed to the reduced appropriation only because he feared that tobacco purchases under the program would be decreased from the amount originally planned. Ibid., p. 7181.

¹⁸⁷New York Times, June 5, 1948, pp. 1, 5; Ibid., June 6, 1948, p. 9. Secretary Marshall feared "serious political repercussions" in Europe. The Committee for the Marshall Plan issued a statement declaring that the House action in decreasing the ERP appropriation would defeat the purposes of the recovery program.

the Senate Appropriations Committee to plead the case for a restoration of the funds slashed by the House. Associates described the senator as "fighting mad" and "critically concerned" about the impact of the House action on the ERP countries and in the diplomatic and ideological conflict with the Soviet Union.¹⁸⁸ Republican Presidential contenders Harold E. Stassen and Thomas E. Dewey joined Vandenberg publicly on June 7 in demanding a restoration of the ERP funds.¹⁸⁹ Several Republican senators conceded that the House action had placed their party in an embarrassing position, with Senators Morse (R., Ore.), Saltonstall (R., Mass.), Baldwin (R., Conn.), and Ferguson (R., Mich.) declaring that the Republican party would have to assume the responsibility if the recovery program should fail for a lack of funds.¹⁹⁰

Addressing a packed session of the Senate Appropriations Committee on June 9, Senator Vandenberg delivered a scathing attack upon the "meat axe" technique used by the House in decreasing the ERP appropriation, describing it as an attempt "to gut the enterprise". He criticized the move as a "cynical reversal" of a major Congressional policy decision through the "back door" of an appropriations bill. Minority Leader Barkley joined Vandenberg in appealing the House fund cut.¹⁹¹ California's Governor Earl Warren, another contender in the

¹⁸⁸New York Times, June 5, 1948, p. 5; Ibid., June 6, 1948, pp. 1, 13.

¹⁸⁹Ibid., June 8, 1948, pp. 1, 6.

¹⁹⁰Ibid., p. 5.

¹⁹¹U. S., Congress, Senate, Committee on Appropriations, Hearings on Economic Cooperation Administration, H. R. 6801, 80th Cong., 2nd Sess., 1948, pp. 423-439. Cited hereafter as Senate Committee on Appropriations, Hearings on ECA, H. R. 6801.

campaign for the Republican Presidential nomination, telegraphed his congratulations to Vandenberg.¹⁹² Candidate Stassen appeared before the Appropriations Committee the following day, making a similar appeal.¹⁹³ Representative Taber, meanwhile, declared that he would defend the House decreases "to the end".¹⁹⁴ Also entering the fray, the House Foreign Affairs Committee declared publicly that the Appropriations Committee should be deprived of any and all responsibilities in connection with providing funds for the implementation of foreign policies.¹⁹⁵

Senate Consideration of ERP Appropriation

In the midst of this furor, hearings before the Senate Appropriations Committee on the foreign aid appropriation bill were concluded. The hearings had commenced on May 13 and ended on June 12. Thirteen public sessions were held, during which sixty-five witnesses were heard. The committee submitted its report to the Senate on June 14.¹⁹⁶ Most significantly, it acted to restore all but \$245 million of the \$5.3 billion authorization. It accomplished this primarily by restoring the appropriation to a twelve-month basis. It recommended

¹⁹²New York Times, June 10, 1948, pp. 1, 5.

¹⁹³Senate Committee on Appropriations, Hearings on ECA, H. R. 6801, pp. 459-469.

¹⁹⁴New York Times, June 10, 1948, pp. 1, 5.

¹⁹⁵Ibid., June 11, 1948, p. 13.

¹⁹⁶U. S., Congress, Senate, Committee on Appropriations, Foreign Aid Appropriation Act, 1949, 80th Cong., 2nd Sess., 1948, Report No. 1626, to accompany H. R. 6801, in Senate Miscellaneous Reports, IV (Washington: U. S. Government Printing Office, 1948).

a total of \$5,055,000,000 for ERP for twelve months, against the requested \$5.3 billion, thus the difference of \$245 million. The committee, in effect, restored \$1,175,000,000 of the actual House decreases in ERP funds.

Despite its generous action in restoring most of the ERP funds, the Senate committee was critical of the "cursory examination" upon which the authorization had been based and of the "total inadequacy" of the Executive branch estimates as a basis for a "precise appropriation". Apprehensively, supporters of ERP feared that such expressions of sentiment would bolster the Taber forces in the impending conference to reconcile the divergent views of the two Houses. Borrowing language from the Taber committee report, the Senate group complained of the imprecision of the entire enterprise to the current date. Its own reductions were justified, ultimately, on the same grounds as those relied upon by the House committee, i.e., because the estimates had a great element of uncertainty there could be no valid basis for objecting to a reduction of appropriations. Nevertheless, because of the "obvious need" for United States aid, the committee was recommending a much larger appropriation than did the House. It admonished the Administration, however, that subsequent requests for appropriations for the program should be based "on a more business-like and stable formula . . ." As passed by the House, H. R. 6801 had provided a total of \$5,980,710,228 for all activities, with the basis of appropriations changed to fifteen months. This compared with a budget estimate of \$6,533,700,000 for a twelve-month period. The total recommended by the Senate committee for a twelve-

month period was \$6,125,710,228. It recommended a much lower sum than did the House for the International Children's Emergency Fund; it increased the amount allowed by the House for Greece and Turkey, although its recommendation still was below the budget request; and it increased the amount allowed by the House for China aid, although, again, its recommendation was below the budget request. Finally, the committee recommended a greater sum than allowed by the House for government and relief in occupied areas.¹⁹⁷

Senate deliberation on the report of its Appropriations Committee was swift. Senator Vandenberg expressed his gratitude to Chairman Bridges and the committee for restoring the funds cut by the House. Although not in complete agreement with all of the committee amendments to the bill, Vandenberg voiced general satisfaction with the bill as it emerged from the committee. He asked for a record vote on the most significant committee amendment, which changed the period for availability of funds to twelve months. The amendment was accepted, 64 to 15, with most of the negative votes being recorded by the "revisionists".¹⁹⁸ The Senate then proceeded to accept the other committee amendments with little discussion. At 12:30 a. m. on June 15, the bill passed, 60 to 9, with twenty-seven members not voting. The "nays" consisted of die-hard isolationists, plus Idaho's Democratic Senator Taylor. The Senate then insisted on its amendments and requested a conference with the House. Appointed as conferees were Senators Bridges (R., N. H.), Gurney

¹⁹⁷Ibid., pp. 1-15.

¹⁹⁸Congressional Record, XCIV, Part 7, 8309-8310.

(R., S. D.), Brooks (R., Ill.), Reed (R., Kan.), McKellar (D., Tenn.), Hayden (D., Ariz.), and Thomas (D., Okla.).¹⁹⁹ The House refused to accept the Senate amendments and agreed to a conference. Representatives Taber, Wigglesworth (R., Mass.), Engel (R., Mich.), Stefan (R., Neb.), Case (R., S.D.), Keefe (R., Wis.), Cannon (D., Mo.), Kerr (D., N.C.), and Mahon (D., Tex.) were named as House conferees.²⁰⁰

As it had become apparent that the Senate would act to restore the House reduction of ERP funds, Representative Taber publicly lashed out at Senator Vandenberg for his efforts in the restoration movement.²⁰¹ Vandenberg conceded that his efforts thus far had accomplished at least one thing, i.e., his "final renunciation" as a Republican Presidential contender. His primary objective now, in this regard, was to secure the nomination of a ticket to block the Republican isolationists.²⁰²

Conference and Capitulation

As the conferees prepared to assemble for their initial session on June 17, the portent for a satisfactory compromise of the differences between the House and Senate on H. R. 6801 appeared bleak. Representative

¹⁹⁹Ibid., p. 8322.

²⁰⁰Ibid., p. 8477.

²⁰¹Taber accused Vandenberg of "fraud" in securing passage of the ERP bill, by promising that he would not challenge the right of the Appropriations Committee to review European needs and suggest funds lower than those authorized. New York Times, June 15, 1948, pp. 1,14.

²⁰²Ibid., June 17, 1948, p. 4. Reportedly, Vandenberg hoped to block the isolationist wing of the Republican Party through the election of Dewey as President, with John Foster Dulles becoming Secretary of State. Vandenberg would complete this picture by remaining in a Republican Senate as the chairman of Foreign Relations.

Taber reacted adamantly against the pressures for conciliation by the House. As he viewed the situation, the prime issue involved the power of the Appropriations Committee to review--and pass upon--the legislative decisions of Congress in all matters requiring expenditures of public funds.²⁰³

After meeting for four hours on June 17, the conferees had made no advances toward a compromise agreement. Taber remained adamant, even though ECA Administrator Hoffman, in appearing before the conferees, had warned that unless ERP funds were restored it would be impossible to ship any industrial machinery or equipment during the first year of the recovery program.²⁰⁴

Representative Taber's position was becoming increasingly untenable. Earlier, members of his committee had intimated that the committee report had been dictated by the House Republican leadership.²⁰⁵ As the conferees labored, Republican leaders in both Houses privately expressed confidence that a satisfactory settlement would be achieved. It was suggested that the Senate could easily make concessions on provisions of the appropriations measure other than those relating to ERP. The leaders expressed "grave doubts" that Taber would be sustained by the House if he persisted in his refusal to compromise.²⁰⁶ However, two further meetings of the conferees on June 18 proved futile. The

²⁰³Ibid., June 17, 1948, pp. 1, 12.

²⁰⁴Ibid., June 18, 1948, p. 9.

²⁰⁵Ibid., June 5, 1948, pp. 1, 5.

²⁰⁶Ibid., June 18, 1948, p. 9.

crucial issue was the period of availability of funds for ERP. Senate conferees insisted on twelve months, whereas the House conferees demanded retention of the fifteen month period. Each side charged the other with responsibility for the stalemate.²⁰⁷

Congress was scheduled to adjourn on the evening of June 19, as the Republican National Convention was to convene at Philadelphia on June 21. Members were eager to depart the Capitol. After a meeting of the Senate Republican Policy Committee in the evening of June 18, Senator Taft announced that he was prepared to postpone the scheduled Congressional adjournment, if necessary, in order to carry out the "moral commitment" to the Marshall Plan countries. In a major concession, Taft stated that he was ". . . quite prepared to stand by the view of Senator Vandenberg as to what is essential to carry out the moral commitments to Europe."²⁰⁸ Other expressions of Congressional sentiment indicated that Representative Taber's support had virtually dissipated.

Early in the afternoon of Saturday, June 19, Senators Taft, Wherry and Millikin, and Representatives Halleck and Arends met with Speaker Martin in the latter's office.²⁰⁹ Later that day, the deadlock between the Senate and House conferees was broken by a complete capitulation of the Taber forces. The primary disagreement between the two Houses--the "time element" in respect to the availability of

²⁰⁷ Ibid., June 19, 1948, pp. 1, 2.

²⁰⁸ Ibid., pp. 1, 13.

²⁰⁹ Ibid., June 20, 1948, pp. 1, 7.

ERP funds--was resolved by making the funds "available" until June 30, 1949, and by adding the proviso

. . . that the entire amount may be appropriated for obligation or may be obligated and expended if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said act during the period ending April 2, 1948.²¹⁰

The language was an effort to save face for Representative Taber while acceding to the pressures for restoring the House reductions.

The conference report was submitted to the House at 11:42 p. m., June 19. In a spirit of hilarity, Representative Clarence Cannon, one of the conferees, described the report as a "complete victory for the Senate program The report is highly satisfactory to the minority" After "sabotaging" the foreign aid program, he continued, the majority managers of the bill

. . . found themselves in an uncomfortable position as soon as the Senate announced its amendments. From that time down to tonight there has been a wild foot race upon the part of the House conferees, in a scurry-ing search for a loophole through which to escape from the trap in which they had snared themselves.²¹¹

Although the House managers had managed to save their lengthened date of availability of funds, " . . . they sacrificed everything else to retain it and then find it meaningless . . ." because, under the Senate amendment, the President could ignore it. In a more serious vein, Cannon charged that

. . . The proposal to thus delegate to the President . . . legislative functions of the Congress amounts

²¹⁰Congressional Record, XCIV, Part 7, 9123.

²¹¹Ibid., p. 9296.

to an abdication of constitutional authority
That is an appalling price to pay to extricate the
House conferees from the consequences of their folly.²¹²

On a roll call vote, demanded by Representative McCormack (D.,
Mass.), the report was accepted, 318 to 62, with fifty members not
voting.²¹³

Shortly afterward, as dawn approached, a weary Senate agreed
to the conference report with little discussion and without a record
vote. Senator Bridges, explaining the report, said he thought it would
be "generally satisfactory" to the Senate. The total amount of the
foreign aid appropriation finally agreed upon was \$6,030,710,228. The
total included \$4,000,000,000 for ECA; \$400,000,000 for China; \$1,300,
000,000 for government and relief in the occupied areas, as well as for
economic recovery in Japan, Korea, and the Ryukyus; \$225,000,000 for
Greek-Turkish aid; \$35,000,000 for the International Children's Emergency
Fund; and \$70,710,228 for the International Refugee Organization. The
total appropriation was \$408,000,000 below the amount approved earlier
by the Senate and \$503,000,000 below the amount authorized.²¹⁴

The Senate had laid the foundation for its victory through its
many amendments of H. R. 6801 as it had emerged from the House. Its con-
ferees easily could compromise on minor issues in order to achieve the
major goal of restoring the twelve-month basis of availability of the
mutually agreeable \$4 billion ERP appropriation. Senator Vandenberg

²¹²Ibid.

²¹³Ibid., p. 9299.

²¹⁴Ibid., pp. 9121-9123.

commended the Senate conferees upon their "splendid piece of constructive work which maintains the full spirit of this great enterprise" He expressed his "personal gratitude" to Senator Bridges for his " . . . stalwart loyalty to a great ideal." Thereupon, the Senate agreed to the conference report.²¹⁵ At 7:14 a. m., Sunday, June 20, the Senate adjourned until Friday, December 31, 1948. The House had adjourned previously at 6:56 a. m.²¹⁶

H. R. 6801 was presented to the President on June 23 and became Public Law 793 on June 28, 1948.²¹⁷ Mr. Truman expressed a "deep sense of satisfaction" in signing the measure. The law, he said, represented the " . . . combined judgment and will of the Executive and Congress . . .," having been born "in the spirit of cooperation and not of partisan conflict."²¹⁸

²¹⁵Ibid., p. 9123.

²¹⁶Ibid., p. 9169.

²¹⁷Ibid., Part 8, p. 9367.

²¹⁸New York Times, June 29, 1948, pp. 1, 14.

CHAPTER VI

CONCLUSION

The primary purpose of this study has been to determine the roles of the Executive branch of the Federal Government, Congress, and the public in the formulation and implementation of the American foreign policy expressed in the historic Marshall Plan and its legislative embodiment, the European Recovery Program. Special emphasis has been placed on determining the Congressional role in foreign policy since, beginning with the Truman Doctrine, the Marshall Plan, and subsequent foreign aid programs, legislative appropriations increasingly have assumed greater significance in the implementation of American foreign policy. In studying the Congressional foreign policy role, the influence of special interest groups was of necessity considered, for it is at the legislative level that this component of the complex American system of government makes its greatest impact on the determination of public policy.

The historical background underlying the development of the Marshall Plan was established in Chapter I of this study. Therein, the focus was placed upon the startling deterioration in relations between the United States and the Soviet Union following the end of World War II, which necessitated a re-evaluation of the role to be played by the United States in world affairs. The outlines of the new role emerged

in the Truman Doctrine, a revolutionary development in American diplomacy during ostensible peacetime. To emphasize the interrelationships which are a permanent part of the American governmental process at every level--and their importance in respect to the Marshall Plan and European Recovery Program, the focus in Chapter II was upon the domestic political situation existing during the historical period under consideration in this study. Assuming significance, in terms of the foreign policy decision-making process, were the facts of a Democratically-controlled Executive branch, a Republican-controlled Congress, and a public torn between a desire to concentrate upon day-to-day pursuits and a growing awareness of the "menace" of world Communism as exemplified and directed by the Soviet Union. In Chapter III, special consideration was given to the American response to the Communist challenge in Greece and Turkey, since the policy formulated in that situation was but one step--although a significant one--in the development of the Marshall Plan. Included therein was an examination of the personalities involved in the formulation of the Truman Doctrine and the efforts of these Executive branch officials to guide the Congressional and other forces whose sanction was a requisite for a broad shift of course in this nation's foreign policy. It became apparent, however, even as the Truman Doctrine was being formulated, that the crisis in Greece and Turkey was but one aspect of a wider catastrophe threatening to engulf Europe itself. Eastern Europe had been swallowed by the Soviet Union as that nation capitalized upon a fortuitous chain of circumstances during the period marking the end of the war and the return to peace. Now, Western Europe was confronted with economic and

political collapse, unable to recover by its own resources from the ravages of the recent war and the postwar dislocation of historic trade and commercial patterns. The Soviet Union posed no immediate physical threat to Western Europe, yet an ever-present possibility existed that it would be the immediate beneficiary of any failure to fill the vacuum about to be created in Western Europe. Increasingly during this period, world events had come to be viewed in terms of a United States-Soviet dichotomy. To a world that had placed such great faith in the fledgling United Nations Organization and the concept of collective security, the rapid deterioration in the postwar international situation was disheartening. In response to the mounting crisis in Europe, the United States announced the Marshall Plan and offered its assistance to any country in Europe willing to join in a cooperative endeavor to correct the ills of that area's general economy. Efforts were made to purge the broader Marshall Plan of the militantly anti-Communist implications of the Truman Doctrine. In this political setting, the objective in Chapters IV and V was to examine the Marshall Plan as it progressed from basic concept to concrete reality, not in respect to its efficacy in the conduct of the international relations of the United States, but in terms of the interactions between the Executive branch, Congress, and the public in the formulation and implementation of that policy. Specifically, the objective was to determine the roles and relative importance of the Executive branch, Congress, and the public in the formulation and implementation of the Marshall Plan and European Recovery Program.

In examining the lineage of the Marshall Plan, it is virtually impossible to cite one particular event at a given time and place and

involving any certain individual as being crucial to the development of the specific concepts employed in the plan. Secretary Marshall's offer of assistance to Europe was not solely his own creation, nor did it reflect the thinking only of State Department officials. The original offer of assistance and the final plan evolved after months of effort were the products of many minds working sometimes independently of one another but, in the main, working cooperatively toward a generally shared goal. This is not to say, however, that the motives always were identical.

Although the Marshall Plan was a conception evolving jointly in many minds--in the Executive branch, in Congress, and among the general public, the fact remains that the policy was initiated by the Executive branch, which has the responsibility for conducting this nation's foreign policy. From the beginning, there was no question that the implementation of the plan would require the consent of both Congress and the people, since it would involve the expenditure of billions of dollars of public funds over an extended period of years. Proceeding upon this assumption, the President and his foreign policy advisers from the earliest stages in the development of this policy worked assiduously to generate support in Congress and among the public. Complications were anticipated by reason of the fact that economy-minded Republicans controlled both Houses of the Eightieth Congress. They were consciously striving to gain control of the Executive branch as well in the approaching 1948 elections. The public, plagued by inflation and shortages, very well could have revolted when requested to finance a massive foreign aid program such as was contem-

plated in the Marshall proposal. In the considered judgment of the President and his advisers, the proposal embodied the course of action deemed most adequate to meet the immediate crisis in Europe and to serve the long-term interests of the United States. The major question, in these circumstances, was whether or not the mechanisms for decision-making in the American governmental process were adequate to the responsibility placed upon them.

Officials of the Executive branch who were concerned with the development of the recovery program consulted with Congressional leaders of both parties throughout the formulative stages as well as during the period of Congressional consideration of the program. The Executive branch was subjected occasionally to the criticism that it expected bipartisanship on the part of Congress yet had failed to carry out an important aspect of bipartisanship, i.e., advance consultations with Congressional leaders of both parties--particularly the opposition--prior to such important decisions as the Truman Doctrine and Marshall Plan. Advance consultations did occur, in respect to the Truman Doctrine, prior to the announcement of the Government's decision. Admittedly, the consultations came after the decision had been made. There was no evidence of advance consultations prior to the announcement of the Marshall Plan; however, the activities of the Administration had become an open secret, and Congress itself was expressing concern with regard to Europe's problems. If the Government should be required to consult with Congress in advance of every decision in regard to foreign policy, any advantages associated with the Presidential system would be negated. Foreign policy, in effect, then would be conducted by a committee. Even though

he reflected chagrin at the "eleventh hour" consultation afforded Congressional leaders in the Greek-Turkish crisis, Senator Vandenberg realistically recognized the Congressional limits in foreign policy formulation.

President Truman created the Harriman, Nourse, and Krug Committees, ostensibly for the general purpose of determining if the United States could sustain the recovery program without serious injury to its own economy but also to generate and mobilize public support for an Executive branch commitment which in fact already had been made. The Harriman Committee proved to be extremely useful in building support for the program among members of Congress, because of its composition of nationally prominent and respected businessmen, labor leaders, academicians, and others, who had no official connections with the Truman Administration. Although the President expressed a reluctance to call Congress into special session in the autumn of 1947 for the purpose of considering additional aid for Austria, France, and Italy, since Congress was soon to receive the massive European Recovery Program, there is little question that the special session helped to dramatize even further the serious nature of the European economic crisis and to generate support for the proposed solution. No effort was spared by the Executive branch in making available to the public high-ranking representatives of the Administration to provide explanations of the proposed recovery program. The publicity given the hearings on the program before the Foreign Relations and Foreign Affairs committees undoubtedly assisted in creating and solidifying public support. Few hostile witnesses appeared against

the legislation, yet representatives of most major and many minor special interest groups testified before one or both of the committees. The hearings served a worthwhile purpose, even though it is not likely that the thorough examination of the recovery program afforded thereby changed the minds of many committee members. The hearings basically were educational in nature and purpose. They served to emphasize the overwhelming support by these interest groups to the general public and to members of Congress who were not members of the committees. They provided a vehicle for the appearance of interested persons and groups before a legislative body and thereby to identify themselves as participants in the law-making process. The hearings afforded the Administration an opportunity to publicize its position widely and to gauge the public and Congressional reaction.

The efforts of the Executive branch to mobilize public and Congressional support for the recovery program were directed by top officials of the State Department, although the actual participants in developing the program for presentation to Congress included many representatives from several Executive departments and agencies. It was the responsibility of the State Department to guide the program through Congress. Although the details of planning and implementation were delegated to his subordinates, President Truman provided responsible leadership for the enterprise. He early recognized the mounting European problem and gave his approval to the initiation of studies designed to develop possible solutions. Once a plan of attack had been proposed, the full force of his Administration was placed into the effort to develop the program for presentation to Congress and the people. The

President made frequent appeals for public support, as did key members of his Administration, and constantly urged Congress to expeditious action on the recovery program. Because Congress was controlled by the Republicans, Mr. Truman ultimately depended upon their support for enactment of the program. The close personal relationship between Secretary Marshall and Senator Vandenberg helped in bridging the gap between the Republican Congress and the Democratic President.

One of the underlying purposes of the recovery program was, by extending an offer of its benefits to the Soviet Union and the Eastern European satellites, to ease the growing tension between the two giants of the postwar world. Throughout the development of the program and during the early stages of its consideration by Congress, officials of the Administration attempted to minimize any consideration of the program as an instrument in the Cold War. By its own actions, however, the Soviet Union made these efforts appear to be gestures of appeasement. With the Communist seizure of power in Czechoslovakia in February, 1948, and with increasing Soviet intransigence in respect to the German problem, the recovery program increasingly came to be perceived as an instrument in the Cold War. Although continuing to stress that the program should be open to all European countries willing to participate on a cooperative basis, the emphasis of the Administration, in its urgent requests for expeditious action by Congress, began to shift to the importance of a strong and healthy Western Europe in the preservation of Western democracy. Before Congressional action had been completed on the recovery program, there was little question that it had become a weapon in the Cold War.

Congress and its relevant committees--those concerned with foreign relations and appropriations--performed significant functions in regard to the implementation of the recovery program, whereas their roles in its formulation were minor. The Congressional role in the formulation of the program was limited largely to the impetus given the Executive branch, and particularly the State Department, to act more expeditiously in initiating a proposal to meet the rapidly developing European economic crisis by reason of the evident Congressional disquietude in relation to recurrent Executive branch requests for foreign relief appropriations. Congress itself was displaying an interest in the European situation, as indicated by its creation of the Select Committee on Foreign Aid (Herter Committee), and the Executive branch feared that it might be forced into an unworkable or embarrassing position if it did not act quickly. The findings and conclusions of the Herter Committee were invaluable to the Administration in that a reservoir of support for the principle of the recovery program was created in Congress. The Herter Committee, as well as individual members of Congress, traveled to Europe during the summer and fall of 1947 in order to make firsthand observations of the situation. As a result, the committee advanced its own proposal for solution of Europe's ills. That it was not accepted by Congress was of less importance than the fact that members of the committee supported the basic principle of the proposed recovery program.

Although one motive underlying the creation of the Herter Committee was the desire of the House Republican leadership to demonstrate the new influence of the House of Representatives in foreign affairs,

thus reflecting an element of rivalry between it and the Senate and Administration, there was much evidence of close cooperation between the Executive branch and Congress throughout the formulative stages of the recovery program. Beginning with Senator Vandenberg's proposal leading to the creation of the Harriman Committee, this cooperation included frequent and close consultations between Vandenberg and Secretary of State Marshall; exchanges of information and consultations between Executive branch officials and personnel engaged in the planning of various aspects of the recovery program and the staffs of the Congressional committees concerned; and State Department briefings for members of the Foreign Relations Committee. There were evidences of rivalry, as well, between Congress and the Executive branch and between the two Houses of Congress and their committees. Congress jealously guards its prerogatives as a separate branch of the Federal Government. It constantly fears encroachments by the Executive upon its domain. This was a period in which Congress, under Republican leadership, was attempting to regain its stature in relation to the Executive branch. A jealous watch prevails also between the two Houses of Congress--and their committees--to insure that one does not invade the domain of the other. Joint hearings on the recovery program would have expedited Congressional consideration of the matter, yet jealousy between the Foreign Relations and Foreign Affairs committees prevented such an occurrence. Historically, the House had been overshadowed by the Senate and its august Foreign Relations Committee in the area of foreign relations, because of the constitutional role of the upper House in the treaty process and in the confirmation of ambassadorial appointments.

In regard to the recovery program, however, the House considered itself an equal of the Senate, and it was determined to assert that equality. If maintained within limits, rivalry or competition can produce some beneficial results. Thus, the Congressional stirrings in regard to the European situation prompted the Executive branch to more expeditious action. The House insistence on a comprehensive view of foreign aid requests gave Congress and the public an impression as to the demands beyond the recovery program. The determination of the House to assert its equality with the Senate led to the creation of the Herter Committee and to a better informed House of Representatives in respect to the problem at hand.

The examination of the Congressional role in the formulation and implementation of the recovery program demonstrated that Congress can force a policy upon the President, however undesirable or inconsistent, if it has sufficient bargaining power. In its attempts to include Spain in the recovery program, the House could not enforce its will upon the Senate and the Administration. In this effort, the House Republican leadership threatened the unity of the Republican Party in a crucial election year and, in the end, was forced to bow to the internationalists and more practical politicians within the party. The President, in addition, demonstrated that under no circumstances would he accept this provision in the bill. With regard to the omnibus treatment of foreign aid legislation, and particularly in regard to the provision of economic and military aid to China, the House Republican leadership was in a position to force the acceptance of its demands. Not only was it capitalizing on the growing anti-Communist

sentiment in Congress and the nation, but also it was willing to gamble that Vandenberg and the Administration would capitulate on these issues rather than risk time-consuming delays in implementing the recovery program. On the other hand, the House Republican leadership seriously miscalculated the temper of Congress and the nation in its attempt to force a drastic reduction in the recovery program appropriations measure.

There were unwarranted delays in Congressional consideration of the recovery legislation and the accompanying appropriations measure, primarily in the House and its committees. Some of these delays were occasioned by the mechanics of the legislative process and some by the sheer obstinacy of important Congressional figures. Of course, the time factor may not have been as critical as was expressed by the Administration. Months were spent by the Executive branch and by elements in Congress in preparing the groundwork for the recovery program. Weeks were consumed in conducting Congressional hearings and debates on the legislation. Unnecessary delays were occasioned, first, by the slowness in which hearings were initiated on the appropriations measure and, second, by the protracted proceedings before the House Appropriations subcommittee which conducted the hearings. Despite the length of those hearings, and the depth to which the subcommittee probed into the details of the recovery program, the subcommittee's report bore little relationship to the testimony received from expert Government witnesses. With little justification, the subcommittee recommended, and its parent committee and the House adopted, a drastic reduction in funds for the recovery program. Apparently, the House Republican leadership, in a last desperate bid to defeat the recovery program, hoped to capitalize

upon the desire of House members to adjourn and return to their constituencies for the coming campaign and upon its knowledge that many members, in the initial voting on the authorization measure, had expressed explicit hopes or expectations that the Appropriations Committee would examine the program thoroughly before recommending the appropriation of the full amount authorized. Although the members of the appropriations committees are sometimes looked upon in awe with respect to government finances, the recommended reductions in the appropriations for the recovery program appeared to be based as much upon inherent animosity toward the program as upon an unbiased interpretation of the facts presented to the subcommittee. The House reduction was in fact an attempted reversal of Congressional policy. Its action was based on no new information indicating that the need of Europe for assistance had lessened since the approval of the basic authorization measure. On the contrary, the situation had grown more serious, due to an inability to plan adequately because of the lack of assured funds. The action indicated a lack of responsible leadership. It also indicated irresponsibility on the part of the members who voted for the initial authorization on the basis of expectations that it would be reduced by the Appropriations Committee and that the onus for any such reduction could be placed on that committee. The reduction was based as much on guesswork as on staff-work. The subcommittee had neither the staff nor the time to analyze every detail of the data submitted to it--much of which already had been submitted to the committees concerned with the authorization measure and which they readily admitted was much too massive for full comprehension. Yet, after study, they--

and Congress-overwhelmingly accepted the basic policy involved, and recommended the appropriations requested by the Administration.

It is debatable whether the duplications involved in the labyrinthine Congressional hearings are completely justified. Much valuable time is lost by administrators in appearing, first, before two legislative committees, and then before two appropriations committees. Invariably, identical ground is traversed--in quadruplicate. In this case, both the House and Senate Appropriations Committees were skeptical of the examinations of the proposed recovery program by the relevant legislative committees and refused to accept their recommendations without further elaborate studies. So long as there are two Houses of Congress, this will be a problem in the implementation of public policy. It appears, however, that joint hearings could be utilized effectively in crisis situations without doing irreparable harm to the checks and balances principle, so long as the Executive branch exercises responsibility in defining such situations.

Under the guidance of Senator Vandenberg, the Senate Foreign Relations Committee was most effective in conducting public hearings on the recovery legislation and in expediting its consideration by the Senate, despite the organized opposition of the isolationist element. No amendments unacceptable to the committee were adopted by the Senate. The prestige and influence of most of its members among the Senate was obviously great, and this fact was an argument used by non-members in support of the bill during Senate debate. The hearings before Vandenberg's committee were more restrained, better organized, and conducted more responsibly than were the hearings before the Foreign Affairs Com-

mittee where, at times, leadership was lacking. The influence of the Foreign Affairs Committee in the House could almost be predicted on the basis of the partisan, divisive bickering that characterized its hearings. At times the committee lost control of the bill during the House debate. Several amendments were adopted over the objections of committee spokesmen and later had to be deleted in conference. The committee had no influence when the drastically reduced appropriations measure was forced through the House. On the other hand, the influence of Vandenberg and certain other members of his committee was strong enough to force a restoration of the reduction in the Senate.

The most significant Congressional change in the recovery legislation was adopted at the insistence of Vandenberg and the Senate Foreign Relations Committee. Vandenberg and other Republicans, as well as some Democrats, objected to the administrative formula for ERP advanced by the Administration on the grounds that the Economic Cooperation Administration could not effectively execute its mission as a mere adjunct of the State Department. Although agreeing that the Secretary of State should at all times have direction and control of the nation's foreign policy, as the President's agent, Vandenberg insisted that the day-to-day operations of ECA should be free of the State Department bureaucracy and that the Administrator should be free to conduct the operations according to his best judgment, subject to the requirement that he consult with the Secretary of State and that matters of disagreement be carried to the President for resolution. Once this matter was resolved by the Foreign Relations Committee, it generated no further controversy. The Administration accepted the decision and did not view it as a major defeat.

Likewise, the House Foreign Affairs Committee accepted this as a satisfactory resolution of the problem. Although this change in the administrative aspects of the recovery program did no violence to the basic soundness of the Administration's proposal, the events surrounding this alteration reflect the persistent Congressional effort to influence policy. The objective in this instance was to deprive the State Department of effective control of ECA and in effect deprive the President of direct control of an instrument of American foreign policy.

The Foreign Affairs Committee, perhaps inadvertently (since its aged Chairman Eaton strongly favored the recovery program), aided the conservative House Republican leadership in delaying final action on the recovery program by virtue of its insistence on conducting hearings on all aspects of foreign aid simultaneously with consideration of ERP. Despite the political overtones, a useful purpose was served in that the Administration for the first time had to present Congress a comprehensive picture of expected foreign aid requests.

The Congressional leadership afforded by Senator Vandenberg was indispensable to the Administration. Vandenberg had made the valuable suggestion leading to the creation of the non-official Harriman Committee, arguing that it would have an important influence on Congressional thinking. He gauged the temper of Congress accurately in advising the Administration not to insist upon its request for a full \$17 billion authorization for the four years of the program. He devised a scheme whereby the first year's appropriation ostensibly was reduced, although no actual reduction occurred. Without his influence among Senate Republicans, the story of the Marshall Plan might have ended

differently--with all other factors remaining equal. Since Congress was controlled by the Republicans, their support was essential. By his ability to compromise on minor points without making concessions of principle, he was able both to hold a majority of the Senate Republicans to his cause and temper some of the "revisionist" opposition. Because of his own relatively recent conversion to internationalism, he undoubtedly continued to retain the respect of and a certain amount of influence among the diehard isolationists of his party. Although his influence among House Republicans was debatable, it was not negligible. The Republican leadership of both Houses was conservative. In the Senate, the Whip and Acting Majority Leader--Wherry, led the opposition against the recovery program. Senator Taft, Chairman of the Majority Policy Committee, consistently endeavored to reduce the ERP authorization and could see no validity for the program save as a weapon in the struggle against Communism. After offering every obstacle to passage of the recovery measure, the House Republican leadership capitulated only when confronted with the possibility that the party split over foreign policy would be fought to a disastrous conclusion at the National Convention for selection of its Presidential and Vice Presidential candidates. The prospects for winning control not only of Congress but also of the Presidency were too bright to risk their jeopardy by internecine party strife.

Even with Vandenberg's leadership of the Republicans, the recovery program could not have become a reality without the support given the President by members of his own party. There were no mass defections of Southern Democrats, as had been feared. There actually was no dis-

cernible pattern to be found among the few Democrats who opposed the program. The heightening concern relative to the future course of American relations with the Soviet Union apparently was of greater significance than the civil rights issue in determining the votes of Southern Democrats. There was no secret, furthermore, that ERP would be of great importance to agricultural sections of the country, as well as to other economic interests.

Pressure groups without question contributed to the overwhelming passage of the recovery legislation and helped to determine the final character of the program. The shipping interests were assured that they would be called upon to transport a guaranteed amount of the recovery materials sent from the United States to Europe. Surplus Government-owned merchant vessels would not be transferred or sold to the participating nations to offer competition in other trading areas of the world. Agricultural products in surplus were assured of foreign markets. A large proportion of the overall expenditures for food, materials, and equipment under the program would be made in the United States. There were expressed fears of adding to the inflationary forces already present in the domestic economy, yet these fears were easily overcome by the possibilities for expanding the economy through the proposed massive infusion of public spending. Support came from many groups, however, who could not expect to benefit materially from enactment of the recovery program. Many of them attempted to influence Congress directly and many indirectly through educational efforts at the grass-roots level. Many of these groups continued to exert pressure, particularly the prestigious Committee for the Marshall Plan, until action had been completed

on the ERP appropriations measure. Pressure group activity in opposition to the program was minimal.

Although there were occasional evidences of public apathy in respect to the European crisis and the proposed recovery program, this was not unusual in view of the extended period during which the problem was under consideration. The major concern of the average citizen appears to be the ordering of his own private universe. He moves out of this apathetic state, ordinarily, only when prompted by an unusual event which is brought forcibly to his attention. His sustained interest, therefore, is not directed toward analysis and solution of world problems. In general, the Administration, its Congressional allies, and the opinion leaders among the diverse groups constituting the general public were effective in generating and sustaining an interest in and support for the recovery program. The proponents of ERP were aided materially by the news media, which not only generally endorsed the recovery program but also gave it good coverage throughout the general period of its development and consideration.

It was not completely unexpected that isolationism would be a factor in the Congressional decision on the recovery program. Congress was controlled by the Republicans, whose voting records in the recent past were much less internationalist than that of the Democrats. Although the Truman Doctrine and the recovery program were born in an atmosphere of growing international crisis, the country was not engaged in actual war; thus the patriotism of a member of Congress could not be challenged on the basis of a negative vote on these measures. The fact of serious domestic inflation permitted legitimate questions to be raised as to

the possible effect of the recovery program upon the domestic economy. Many members of Congress who initially attacked the recovery program largely on isolationist grounds ultimately supported it because of their apparent convictions that the United States was destined for inevitable conflict with the Soviet Union. Such isolationists became, in fact, aggressive internationalists who inconsistently opposed the recovery program because of its alleged dangers to the domestic economy yet stridently charged the Soviet Union with perpetrating the European crisis and demanded an expansion of American armed forces as the only sensible American response to the European challenge. The Congressional isolationists consisted largely of Republicans from the Midwestern, Plains, and Mountain regions of the United States, which was no great deviation from the traditional pattern. After the war, it had been speculated that isolationism was defunct in the United States, in view of the role of this nation in creating and activating the United Nations and the overwhelming Congressional acceptance of the organization. The reemergence of a strong isolationist sentiment in Congress during consideration of ERP reflected a weariness with complex world problems and a desire to return to simple and easy solutions. It is likely that such an element will be present always in American politics, considering the nature of the governmental system and the diversities of the nation's economic and social life. Particularly will this sentiment be present during periods of relative international stability.

As long as the American governmental system remains as presently constituted, the Executive branch, Congress, and the public each will have an area of responsibility and concern relative to the content and

direction of American foreign policy. This study has developed no radical departures in respect to the formulation of foreign policy. This responsibility is a primary function of and was exercised in this case by the Executive branch--by the President and the broad array of foreign policy advisers serving him. The broad participation of different elements within the Executive branch, Congress, and among the public in the development of the Marshall Plan and its legislative embodiment reflects the general complexity of policy formulation and implementation in the American democracy. It well illustrates the necessity for cooperation and the inevitability of compromise in achieving a proper functioning of the system.

So long as legislation and appropriations are required to implement foreign policy, the consent of Congress and, by implication, the public obviously are indispensable. If such consent is mandatory, then Congress becomes a legitimate joint participant in the implementation of policy and there can be no valid criticisms if it refuses to accept a proposal of the Executive branch or if it offers proposed alternatives--so long as Congress and its committees have proceeded to examine the proposition in a responsible manner. If Congress does have a legitimate function to perform in the area of foreign policy, it can perform that function responsibly only when it is well-informed. The examination of the European Recovery Program indicated that although the Executive branch endeavored to keep Congress and its committees well-informed, and even though Congress acted independently in developing its own sources of information, Congress ultimately remains dependent upon the Executive branch for much of its knowledge about the

world of foreign policy.

Congressional dependence upon the Executive branch for much of its information relative to foreign policy was not the major weakness in the Congressional decision-making apparatus reflected by this study. In the final analysis, that weakness was shown to be the inordinate length of time required to implement a major foreign policy decision once general agreement upon its contents had been reached among the participants. Policies which are destined to have a major impact on the course of the nation for an indefinite period must of necessity be based upon a general consensus, which requires a study of the implications and a debate of the issues. Time for reaching this consensus was certainly afforded in regard to the Marshall Plan and the European Recovery Program. From conceptualization to reality, the Marshall Plan required a period of slightly more than twelve months. The early months, of course, were consumed in a careful planning of the program and in its preparation for submission to Congress. Delays began to occur, however, after introduction of the necessary legislation before Congress. There, the legislation had to travel the tortuous route of hearings before the appropriate legislative committees of each House; debates before each House; conference committee; and consideration of the conference report by each House. Then, in order for the program to be financed, the process of hearings and debates had to be repeated, with the focus now on the appropriations committees.

This criticism is directed not so much at the time-consuming and time-honored procedures which, to an extent, contribute to the inability of Congress to function more efficiently, but at those aspects of the

system which place so much power in the hands of strategically-placed individuals, without accompanying responsibility. As frustratingly slow as the Congressional system is, it did permit, more than three months after introduction of the legislation, a decision with regard to the recovery program. Based on the vote, that decision was overwhelming in its approval of the program. In the face of this approval, an element of the House leadership, consisting of individuals who had reflected consistent opposition to the program, was almost successful in thwarting the expressed will of Congress. This group, in addition, was acting in direct opposition to the sentiments of the leaders of its party outside Congress.

The story of the Marshall Plan is centered upon individuals-- within the Executive branch, within Congress, and among the groups constituting the public--functioning within and through institutions. Institutions--the mechanisms for channelling the actions of individuals--functioned well in the Executive branch but poorly in Congress. Political parties, as legitimate and useful institutions within the American political system, had a negligible role in the story of the Marshall Plan. Although political parties certainly were involved in the consideration of the recovery program, the emphasis throughout was on bipartisanship. In the Senate, the burden was carried by Senator Vandenberg, acting in a bipartisan--or, as he termed it, "nonpartisan"--capacity. His major opposition came from within his own party. Two of the major Senate Republican leaders--Taft and Wherry--opposed the program. The Senate Democratic Policy Committee refused to take a position on the Marshall Plan, lest it be charged with injecting partisan con-

siderations into the matter. Much time was consumed by partisan bickering, with several Democrats availing themselves of the opportunity to attack the Administration and particularly the State Department.

In respect to the European Recovery Program as it was being considered in Congress, the political parties nominally directing the energies and activities of that institution failed to function as responsible parties. There were no decisions by either Congressional party binding upon its membership. Had such decisions been forthcoming early in the Congressional consideration of ERP, mechanisms were available for their enforcement. However, Speaker Martin, Majority Leader Halleck, Rules Committee Chairman Allen, and Appropriations Committee Chairman Taber, acting at times in concert but not in response to a decision of their Congressional party, were free to utilize their strategic positions in an effort to overturn the will of the entire Congress. They utilized their official leadership positions and the recovery program in an effort to wrest control of the Republican Party from the despised internationalists. Foreign policy, and the well-being of the nation, apparently, were secondary in their considerations. This is in no manner intended to be a criticism of those who opposed the recovery program simply because they were in opposition. Opposition to the program was expected. Under the American democratic system, the right to oppose is held as sacred. However, even in opposition there should be responsibility.

Even when the nominal leaders of the House had conceded the futility of their continued obstructionism, valuable time was consumed in overcoming the resistance of Appropriations Committee Chairman Taber.

Even here, there were no sanctions which could be effectively employed against Taber. Implementation of the recovery program had to await Taber's realization of the utter hopelessness of his position. Involved here was the venerable institution of seniority, by which members of Congress attain positions of power, rather than by some rational, institutionalized process of selection--a process which by implication would involve as well a method of discipline and control. This factor of seniority also was involved in the protracted hearings on the authorization measure before the Foreign Affairs Committee. Chairman Eaton, although a supporter of the legislation, was approaching his eightieth birthday and had frequent absences from the hearings. Without consistent leadership, the committee thus was subjected to a variety of influences, resulting in an unnecessary delay of House consideration of the recovery program.

Congress, therefore, has a legitimate role to fulfill in the implementation of foreign policy. In carrying out this role it is capable of influencing the content and execution of foreign policy. As the role of the United States in world affairs continues to expand, the role of Congress will likewise expand. If it is to fulfill its role responsibly, efficiently, and expeditiously, it must examine its own mechanisms for action. Under the American system of government, any foreign policy proposals requiring expenditures of public funds will and should be subjected to the close scrutiny of Congress and its committees. The committee system is a rational means for expediting the massive Congressional workload. That workload, and fulfillment of Congressional responsibility, could be further expedited by a strengthen-

ing of the decision-making institutions of Congress. No better mechanism could be utilized than the already-existing party structures. If Congressional parties should be made responsible, then the efficiency and responsibility of other institutions of Congress would be increased. Without enforcement of party responsibility, Congress cannot continue to enjoy the questionable luxury of its venerable seniority system. But if Congress is to fulfill with responsibility its increasing burden in the nuclear age, it must reexamine its inner structure and practices. It must do more than react defensively and charge the Executive branch with usurping its powers. It must continue to provide a forum for a thorough debate and examination of the issues. It cannot, however, continue to justify indecisiveness, unnecessary delays, or irresponsible obstructionism as essential ingredients of the legislative process.

Although much has been spoken and written about the principle of separation of powers, this study has demonstrated the interrelatedness of the various components of the American system of government. The parts do not operate in a vacuum. Each is dependent to an extent upon the others for a proper exercise of its own powers and responsibilities. Similarly, interrelationships exist between the formal institutions of government and the informal institutions of society. Thus, the President and Congress ultimately must consult the public and its many segments in the making of decisions. The President and his advisers must take the initiative in matters of foreign policy, since neither Congress nor the public is equipped adequately for this task. Although the public looks to the President for guidance in matters of foreign policy, it does not feel bound to accept his initiatives at face value. Elements within the

public at large will have very definite convictions or interests in regard to matters of foreign policy, based upon economic, political, or other grounds. Some of these elements will reflect altruistic interests, while others will aspire to fulfill basically selfish and material wants. They will endeavor to convert their convictions or interests into concrete realities or advantages. Theoretically, out of the resulting interactions of interests will emerge the public good. Whether good or bad, this is a description of the American system of interrelations between the formal institutions of government and the society at large. The pattern is similar in the making of foreign policy or in matters of purely domestic concern. Ordinarily, foreign policy matters will not arouse so intense an interest among special interest groups as was the case in respect to the European Recovery Program. The recovery program, however, was destined to have a large impact on the diverse American society. Its advantages and disadvantages were readily apparent to affected groups and individuals. So long as the United States remains basically a democratic nation, these interrelationships between Congress, the Executive branch, and the public will continue to be a vital part of the functioning of its decision-making process. Although compromise is an essential ingredient in the proper functioning of the American system, the President and the Congress must strive constantly to define and uphold the general interest. Continuous care and attention toward improving the mechanisms for foreign policy decision-making are mandatory in order to adequately execute their responsibilities to the greater American public in this nuclear age.

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