

P.L. 327

George C. Marshall Foundation, Lexington, Virginia

[PUBLIC LAW 327—81ST CONGRESS]

[CHAPTER 621—1ST SESSION]

[H. R. 4830]

AN ACT

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1950, namely:

TITLE I

LEGISLATIVE BRANCH

SENATE

CONTINGENT EXPENSES OF THE SENATE

Joint Committee on Foreign Economic Cooperation: For salaries and expenses of the Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, including per diem and subsistence expenses, without regard to the Travel Expense Act of 1949, approved June 9, 1949, from October 2, 1949, to June 30, 1950, \$110,000: *Provided*, That the amount herein appropriated shall include all expenses necessary to liquidate the affairs of the joint committee not later than June 30, 1950.

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC COOPERATION

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the period commencing April 3, 1949, through June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$1,074,000,000: *Provided*, That not to exceed \$4,400,000 in the aggregate shall be available from this appropriation and the appropriation under this head in the Foreign Aid

Appropriation Act, 1949, for administrative expenses during the period April 3, 1949, through June 30, 1949.

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the fiscal year ending June 30, 1950, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000); purchase (not to exceed two) and hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$25,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$3,628,380,000, of which not to exceed \$350,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That this appropriation shall be consolidated and merged with appropriations under this head for prior periods, and such consolidated appropriation may be used during the fiscal year 1950 within limitations herein specified: *Provided further*, That not to exceed \$16,500,000 of such consolidated appropriation shall be available for administrative expenses during the fiscal year 1950, of which not more than \$25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47): *Provided further*, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000, for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said Act; and the provisions of paragraph (2) of section 111 (c) of said Act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein.

The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer.

ASSISTANCE TO GREECE AND TURKEY

For an additional amount for "Assistance to Greece and Turkey", as authorized by the Act of May 22, 1947 (61 Stat. 103), as amended and supplemented, to be available immediately, \$45,000,000, which, together with the amounts heretofore appropriated under this head,

shall remain available until June 30, 1950; and the existing limitation under this head in the Foreign Aid Appropriation Act, 1949, on the amount available for administrative expenses, shall continue in effect; and the existing limitation under said head on the amount available for such expenses in the District of Columbia is increased from "\$400,000" to "\$425,000": *Provided*, That said limitations shall apply only to the administrative expenses of the Department of State.

CHINESE STUDENTS

The President is authorized and directed to allocate to the Secretary of State not to exceed the sum of \$4,000,000 out of any unobligated balance of the amount made available under section 12 of the Act entitled "An Act to amend the Economic Cooperation Act of 1948", approved April 19, 1949 (Public Law 47, Eighty-first Congress), to be used, under such regulations as the Secretary of State may prescribe, for necessary expenses of tuition, subsistence, and return passage to China for selected citizens of China to study in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes of this paragraph; such amount to remain available until expended.

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas, including personal services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned); such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease,

or unrest, prejudicial to the objectives sought to be accomplished; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$912,500,000, of which not to exceed \$42,500,000 shall be available for administrative expenses: *Provided*, That the general provisions of the appropriation Act for the fiscal year 1950 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, Eightieth Congress): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947): *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned, to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of

shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned: *Provided further*, That when the Department of the Army, under the authority of the Act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 per centum additional charge required by said Act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany.

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, West Virginia, the Ohio River Ordnance

Works at West Henderson, Kentucky, and the San Jacinto Ordnance Works at San Jacinto, Texas, and to use the appropriation herein made for Government and Relief in Occupied Areas for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for "Government and relief in occupied areas" an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949.

SEC. 203. This Act may be cited as the "Foreign Aid Appropriation Act, 1950".

Approved October 6, 1949.

FOREIGN AID APPROPRIATION BILL, 1949

1949—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GARY, from the Committee on Appropriations, submitted the following

REPORT

(To accompany H. R. 4501)

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for foreign aid for the period beginning April 1, 1949, and ending June 30, 1950, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 167, 172, and 181.

SCOPE AND PURPOSE OF THE BILL

The bill as drawn is the result of committee consideration of all the activities contemplated under the Foreign Assistance Act of 1948, amended by Public Law 47, Eighty-first Congress, and for special operations in Greece and Turkey, in addition to estimates for financing operations in other areas.

SUMMARY OF ESTIMATES AND APPROPRIATIONS

The total of budget estimates considered for foreign aid and other activities was encompassed in the bill for the fiscal year 1949 by \$1,000,000,000. The amount recommended by the committee is \$1,000,000,000. In addition, the committee considered a supplemental request for the Economic Cooperation Administration of \$1,000,000,000 for the last quarter of fiscal year 1949. It is recommended that the Foreign Aid Appropriation Act for the fiscal year 1949 contain the following provisions:

That the amount of any such supplemental appropriation may be appropriated and expended, if the President, after consultation with the committee, determines that such supplemental appropriation is necessary for the period ending April 30, 1949.

Works at West Hartwood, Kentucky, and the San Jacinto Ordnance Works at San Jacinto, Texas, and to use the appropriation herein made for Government and Relief in Occupied Areas for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizers, materials or nitrogenous compounds for its use in the occupied areas prior and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for "Government and Relief in Occupied Areas" an amount equal to the cost of production of such materials and any balance to be credited to the receipt of the Treasury. Section 205 of Public Law 100-10, 78 Stat. 10, and any other laws in conflict herewith, are hereby amended to read as follows: Approved June 10, 1949.

Sec. 205. This Act may be cited as the "Foreign Aid Appropriation Act, 1949".

Approved October 3, 1949.

FOREIGN AID APPROPRIATION BILL, 1950

MAY 23, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GARY, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 4830]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for foreign aid for the period beginning April 3, 1949, and ending June 30, 1950, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 167, 172, and 181.

SCOPE AND PURPOSE OF THE BILL

The bill as drawn is the result of committee consideration of certain activities contemplated under the Foreign Assistance Act of 1948, as amended by Public Law 47, Eighty-first Congress, and for assistance to Greece and Turkey, in addition to estimates for financing government and relief in occupied areas.

SUMMARY OF ESTIMATES AND APPROPRIATIONS

The total of budget estimates considered for foreign aid and rehabilitation activities encompassed in the bill for the fiscal year 1950 is \$5,248,200,000. The amount recommended by the committee is \$4,468,470,000, a reduction of \$779,730,000 below the budget estimates. In addition, the committee considered a supplemental request for the Economic Cooperation Administration of \$1,074,000,000 for the last quarter of fiscal year 1949. In this connection, it should be noted that the Foreign Aid Appropriation Act for the fiscal year 1949 contains the following proviso:

Provided, That the entire amount may be apportioned 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, 1949, * * *.

On the basis of this authority, the Administrator has obligated, as of April 2, 1949, virtually the entire appropriation of \$4,000,000,000, together with the \$1,000,000,000 provided for under section 111 (c) (2) of Public Law 472 (80th Cong.) for loans to participating countries on agreed credit terms. The committee is recommending the appropriation of the supplemental request in its entirety.

When the supplemental request for the Economic Cooperation Administration is taken into consideration, the total of appropriations for the current fiscal year, together with that portion of the ECA appropriation applicable to the fourth quarter of fiscal year 1948, for items included in the bill, is \$6,599,000,000, which is \$2,130,530,000 more than the total of \$4,468,470,000 recommended by the committee for the fiscal year 1950.

ECONOMIC COOPERATION

As above indicated, the bill includes two items for economic cooperation in Europe, namely, \$1,074,000,000 for the fourth quarter of the current fiscal year and \$3,568,470,000 for the ensuing fiscal year or a total of \$4,642,470,000 for the 15-month period. When the amount of \$3,568,470,000 recommended for 1950 is compared with the current appropriation allocated on a fiscal year basis, there is reflected a decrease of over 26 percent. The recommended appropriation for the fiscal year 1950 is 15 percent below the budget estimate for that period.

The committee wishes to express its satisfaction with the manner in which this program has been administered since its inception on April 2, 1948, and feels that the country as a whole owes to both Mr. Paul G. Hoffman, the Administrator of the Economic Cooperation Administration, and his able staff a debt of gratitude in this great undertaking. The data supplied to the committee and the assistance rendered by officials of ECA to the committee and the committee staff were characteristic of the businesslike efficiency of the organization. The committee is recommending this appropriation with confidence that it is being properly and efficiently administered and in the sincere belief that the European recovery plan as originally conceived by the former Secretary of State, the Honorable George C. Marshall, can accomplish its purpose within the period provided for in the enabling legislation to the benefit and security of the United States and the world as a whole. Undoubtedly a considerable portion of the credit for the success of the program is attributable to its nature. Previous aid to European and other nations was made generally on the basis of grants with little or no specified responsibility on the part of the recipient country in the economical and efficient distribution and use of that aid within its borders. The aid being provided under the current legislation places primary responsibility on the recipient participating countries, both individually and collectively.

PROGRESS OF EUROPEAN RECOVERY

Much progress has been made to date toward European recovery. Agricultural and industrial production have been steadily rising. Living standards are improving, and morale in Europe generally is higher than at any time since the war ended. Despite these favorable aspects inadequate progress has been demonstrated in certain features of the

program. The aid being extended by the United States is a relatively small but vital factor in the aggregate of what must be produced and accomplished for Europe to become self-supporting by June 30, 1952. The progress made toward recovery up to now is largely attributable to the efforts made by Europeans themselves, and the success or failure to achieve adequate recovery by 1952 will also depend principally upon the efforts made in Europe. Continued aid in declining volume by the United States will, however, be an indispensable factor. It is vital during the coming year that European efforts be maximized, since otherwise American aid cannot be productive of optimum or adequate results.

To this end it is incumbent upon the participating European countries to take prompt and tangible steps in reducing trade barriers. The reduction of tariffs and the elimination of controls, licensing, and other governmental restrictions upon the movement of goods and upon individual business judgment and initiative are vital to economic rehabilitation.

It is essential that fiscal policies of the participating countries be reformed to the extent necessary to stabilize currencies, and that collections of tax levies be enforced so as to support balanced budgets.

The expansion of production, consumption, and trade in Europe and throughout the world must continue during the period of the European recovery program and after it has ended if the objectives of the program are to be realized. It would seem important that care be exercised that any tendencies on the part of participating countries to indulge in uneconomic self-sufficiency are not implemented by the investment of aid funds, or funds contributing to requirements for aid, in inordinately high-cost industrial or agricultural productive facilities.

If the participating nations will strongly encourage their business interests to reduce costs and to make vigorous efforts by utilizing modern marketing techniques to expand sales to hard currency areas, external aid requirements may thereby be reduced.

The committee, therefore, wishes to urge upon the Administrator that while neither this committee nor the Congress has any desire to impose its thoughts and plans, or to interfere with the internal and sovereign affairs of the participating nations, every effort must be exerted to assist western Europe to develop more as an economic unit rather than as a number of smaller, isolated economic entities.

It is appreciated that some progress has been made in the removal of trade barriers and travel of peoples among the participating countries. However, it would seem to the committee that if the program is to be the success originally planned, cooperative efforts to a far greater extent than has been in evidence to this date should be made.

Another matter which the committee desires to call to the attention of the Administrator is that of tourism. The committee is not convinced that sufficient effort is being made by the responsible agencies of this Government to increase tourism in western Europe by providing reasonable and adequate transportation. There undoubtedly are in this country tens of thousands of individuals who are anxious to visit Europe but cannot do so because of present high costs of transportation. Every agency of the Government should bear in mind the fact that this is a program of the United States and

its people rather than a program of the Economic Cooperation Administration. It is recommended that the Maritime Commission make a study as to the feasibility and possibility of converting a number of surplus vessels into one-class accommodations with a view to providing adequate transportation at reasonable cost. It is also urged that the Civil Aeronautics Board make a similar study with the same purpose in view in regard to air transportation. If these arrangements cannot be made under existing legislation, such legislation as may be necessary should be recommended to the Congress. While it is true that at the present time adequate living accommodations are not available in many of the European countries, such accommodations undoubtedly would be constructed provided there was some assurance of reducing cost and restrictions of travel. This increase in tourism would not only provide the necessary dollars to the participating countries, but also would ease the burden on the taxpayer in that a portion of the European dollar shortage would be supplied by those who can afford trips to western Europe.

Too small an appropriation would be disastrous. Less than enough would be worse than nothing as it would result in draining our own resources without compensating return. Such return can only result from continuing the momentum of recovery in the participating countries. It was testified, and the committee concurs, that fiscal year 1950 is the crucial year in this program. Excessive reductions will impair the dollar-earning capacity of the participating countries, resulting in a serious threat to the success of the program, not only in 1950, but in subsequent years as well.

ALLOCATION OF FUNDS

The committee wishes to reiterate the position of the Congress, as expressed in the authorizing legislation, to the effect that this country is not committing itself to furnish any specific amount or any particular commodity to any recipient country. The amount is appropriated as a lump sum to be allocated by the Administrator in such manner as to produce the greatest recovery in all the countries at the minimum cost. Of the amounts contained in the budget estimate for the balance of the current fiscal year, the amount of \$1,062,975,000 is estimated for direct aid and the remainder of \$11,025,000 for other assistance and for administration. Of the amount of \$4,198,200,000 contained in the budget estimate for fiscal year 1950, the amount of \$4,122,200,000 is estimated for direct aid and the remainder of \$76,000,000 for other assistance and administrative purposes.

ASSISTANCE TO GREECE AND TURKEY

The committee has approved an estimate of \$50,000,000 for continued assistance to Greece and Turkey, which is required pending action on the general military-assistance program. The item is best explained in the following excerpt from the President's message transmitting the estimate to Congress:

The Congress has authorized the appropriation of \$675,000,000 for assistance to Greece and Turkey, of which amount \$625,000,000 has already been appropriated. The \$50,000,000 herein requested will complete the appropriation of funds authorized by the Congress.

The additional funds are urgently needed to permit the uninterrupted flow of assistance to Greece and Turkey. Substantial progress has been made in the repression of guerrilla operations in Greece. However, further United States assistance is required to enable the Greek Government to restore internal security, which is essential to rehabilitation and reconstruction. The additional aid for Turkey would further increase the ability of this nation to maintain its territorial integrity and to continue as a stabilizing force in the Near East.

This supplemental estimate of appropriation will be taken into consideration in the recommendation for funds for the military-assistance program, the authorization for which is expected to be submitted to the Congress in the near future.

GOVERNMENT AND RELIEF AND ECONOMIC REHABILITATION IN OCCUPIED AREAS

The budget estimate of \$1,000,000,000 for government and relief in occupied areas (GARIOA), and for economic rehabilitation in Japan and the Ryukyu Islands contemplates an expenditure slightly in excess of \$470,000,000 for bizonal Germany, \$495,000,000 for Japan, approximately \$26,000,000 for the Ryukyus, and \$6,700,000 for Austria. Of the amount of \$495,000,000 requested for Japan, approximately \$116,000,000 would be devoted to economic rehabilitation and approximately \$379,000,000 would be expended for military government and relief expenses designed to prevent starvation, disease, and unrest. The budget estimate of \$1,000,000,000 for GARIOA is approved in the amount of \$850,000,000, a reduction of 15 percent. The requested limitation of \$50,000,000 for administrative expenses is reduced to \$29,750,000, or 3.5 percent of the total appropriation recommended for this activity.

GERMANY

With respect to Germany it should be noted that in addition to the amount to be available from the appropriation for GARIOA to meet United States obligations, as the occupying power, to provide minimum supplies for the civilian population, funds for economic recovery and rehabilitation in Germany are also provided in the general appropriation for the European recovery program. According to present plans the administration of our activities in Germany will undergo a substantial revision about July 1 of the current calendar year. The Department of the Army, under present plans, is expected to transfer its governmental responsibilities in Germany to the State Department and to the ECA. If a German Government can be established as is presently anticipated, it will administer most of the governmental activities now under Army jurisdiction. The authority over economic assistance activities, both those of a relief nature to be financed from the GARIOA appropriation and those of an economic recovery nature to be financed by the ECA appropriation, would be combined.

Encouraging economic recovery in western Germany has been achieved during the past year. From a level of approximately 45 percent of prewar production prevailing about a year ago, production generally is running now at approximately 86 percent of prewar. This achievement has done much to alleviate tense and perhaps dangerous conditions formerly prevailing.

In 1947 German exports totaled \$250,000,000; in 1948 they amounted to \$680,000,000; and in 1949 there is a likelihood that exports will exceed \$1,000,000,000. Notwithstanding this level of exports, western

Germany is still a deficit economy, and continued assistance from the United States is needed if Germany is to become self-supporting and if the European recovery program is to succeed.

JAPAN

Substantial progress has been made since the end of hostilities so that now the industrial index approximates 70 percent compared with the prewar period 1930-34. Coupled with the devastation and disruption of Japanese economy itself is the fact that trade in the Far East has recovered more slowly than that of any other part of the world. Japan's sources of supply for coking coal, iron ore, food, and a wide variety of industrial raw materials continue to be interrupted because of unsettled conditions in the Far East. Rehabilitation is progressing steadily, and military officials anticipate that by a year from now the industrial index will increase to approximately 87 percent of the prewar base period.

Japan is a densely populated area and was never self-sufficient as to food requirements. Its population has been swollen by repatriation of its nationals from colonial areas and the soil has been depleted by the production strains experienced during the war years. Therefore it is necessary to continue to furnish basic supplies including foodstuffs and fertilizer to support the Japanese population in order to prevent disease and unrest.

Apart from this basic program, funds are required for economic rehabilitation, including purchase of industrial raw materials as well as plant rehabilitation, so that Japan's exports may be reconstituted and that Japan may eventually become restored to economic self-support.

The committee is inclined to the conclusion that some of the extensive control and planning activities now being carried on are unnecessary with respect to Japan's recovery and constitute an actual deterrent to recovery. Greater freedom to Japanese initiative and ingenuity should expedite recovery and lessen the burden of expense to the United States.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following legislative provision not heretofore carried in any appropriation bill is recommended:

On page 9, line 14, in connection with National Military Establishment, Government and Relief in Occupied Areas:

Provided further, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned.

COMPARISON OF AMOUNTS IN BILL WITH APPROPRIATIONS FOR 1949 AND ESTIMATES FOR 1950

	Appropriated and recommended, 1949	Amount of budget estimate, 1950	Amount recommended in the bill, 1950	Increase (+) or decrease (-), bill compared with fiscal year 1949	Increase (+) or decrease (-), bill compared with budget estimate
Economic Cooperation Administration (Apr. 3, 1948-Apr. 2, 1949)-----	\$4, 000, 000, 000			-\$4, 000, 000, 000	
Public debt transaction under sec. 111 (c) (2), Public Law 472 (80th Cong.), (Apr. 3, 1948-Apr. 2, 1949)-----	11, 000, 000, 000			-1, 000, 000, 000	
Supplemental (Apr. 3-June 30, 1949)-----	² 1, 074, 000, 000			-1, 074, 000, 000	
Regular annual (fiscal year 1950)-----		\$4, 198, 200, 000	\$3, 568, 470, 000	+3, 568, 470, 000	-\$629, 730, 000
Assistance to Greece and Turkey-----	225, 000, 000	50, 000, 000	³ 50, 000, 000	-175, 000, 000	
Government and relief in occupied areas-----	1, 300, 000, 000	1, 000, 000, 000	850, 000, 000	-450, 000, 000	-150, 000, 000
Total (for comparative purposes)-----	6, 599, 000, 000	5, 248, 200, 000	4, 468, 470, 000	-2, 130, 530, 000	-779, 730, 000
Economic Cooperation Administration, fiscal year 1949-----			1, 074, 000, 000		
Total in accompanying bill-----			5, 542, 470, 000		

¹ Not appropriated funds.

² Carried in accompanying bill.

³ Made immediately available.

MINORITY VIEWS

The Appropriations Committee this morning reported out the foreign economic aid bill in this form:

To ECA for additional funds for the 15-month period ending June 30, 1949	\$1, 074, 000, 000
To ECA for the fiscal year 1950	3, 568, 470, 000
To the War Department for government and relief in occupied areas	850, 000, 000

The first item of \$1,074,000,000 was the full budget estimate; the second item for ECA for the fiscal year 1950 was \$629,730,000 below the budget estimate; the item for "Government and relief in occupied areas" was reduced from \$1,000,000,000 to \$850,000,000, a cut of \$150,000,000, making total cuts for the bill of \$779,000,000 below the budget.

There was in addition, a cut in the limitation of the amount that could be used for personal services in the "Government and relief in occupied areas" item from \$45,000,000 to \$29,000,000 which is \$21,000,000 below the budget figure. This, however, comes out of the total figure of \$850,000,000 allowed and is not a further reduction in funds. It means that more funds in proportion are available for actual aid rather than the hiring of unnecessary personnel.

According to the first statement which was made to the committee by ECA, the shipments for the 12 months ending April 2, 1949, were \$3,047,000,000 indicating a shipment of \$250,000,000 a month for the first 12 months of their operations. They later changed these figures to \$3,774,000,000 on the basis of estimated shipments as distinguished from actual reports. Which is correct, the minority does not know. The latter figure makes shipments of \$315,000,000 a month.

The over-all figure which the committee has reported would allow shipments of \$310,000,000 a month for 15 months, from April 2, 1949, to June 30, 1950, as there is carried to the ECA an additional \$4,640,000,000 by the bill as reported.

At the present time ECA has a pipe line sufficient to carry them for over 3 months on any basis, and probably for 4 months. That means that if shipments run \$310,000,000 a month for the 15 months ending June 30, 1950, they will still have a pipe line available of \$1,200,000,000 sufficient to carry them to the 1st of October or the 1st of November 1950.

In addition, exports of all these countries have been increasing. As a result, they are able to pay for more imports with their own resources. The situation in each country is going to be that they will have more to do with than they have had, and recovery should proceed at a more rapid pace than in the last 12 months.

Moreover, there is a downward trend in prices on account of which the majority members of the subcommittee recommended a reduction of \$182,000,000, insofar as the ECA item was concerned. This is very conservative when you consider the futures markets for grains and other commodities on the regular exchanges and when you consider

the support prices set for some of our major agricultural crops. It is possible that those savings on account of price reductions could very readily amount to much more.

If the operation were going to wind up on June 30, 1950, we could cut, in addition to what the committee cut, another \$1,000,000,000 without hurting the program at all.

If the participating countries would stabilize their currency on a realistic basis, their exports will immediately increase and they would be able to procure a great many things more than they can at present.

Real progress has been made but if the recovery program is going to be the success that all of us desire, budgets must be balanced, currencies must be stabilized, production must reach a maximum, and the European economy insofar as is practical must be integrated. If results along these lines such as we are led to anticipate in the next fiscal year are in fact realized there should be more than ample funds to meet all stated needs of the participating countries in that year.

The basic concept of the ECA program was based upon mutual aid. It must not be permitted to become one-sided or it will defeat its purpose.

JOHN TABER.

RICHARD B. WIGGLESWORTH.



the support prices set for some of our major agricultural crops. It is possible that those savings on account of price reductions could very readily amount to much more.

If the operation were going to wind up on June 30, 1950, we could cut, in addition to what the committee cut, another \$1,000,000,000 without hurting the program at all.

If the participating countries would stabilize their currencies on a realistic basis, their exports will undoubtedly increase and they would be able to procure a great many things more than they can at present.

Real progress has been made but if the recovery program is going to be the success that all of us desire, budgets must be balanced, currencies must be stabilized, production must reach a maximum, and the transportation program must be practical, that is, the investment.

It needs about three billion dollars more to get the program into the next fiscal year. I think that the program is a very good one and that it is a very important part of the program.

The basic objective of the ECA program is to reduce the amount of aid that is required and to increase the amount of aid that is available.

The program is a very good one and it is a very important part of the program. It is a very good one and it is a very important part of the program.

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FOREIGN AID APPROPRIATION ACT, 1951

Passed by the House of Representatives July 27, 1951

With Report from the Committee on Appropriations, submitted in accordance with the provisions of the Act

REPORT

of the Committee on Appropriations

of the House of Representatives on the bill (H.R. 1000) for the purpose of providing for the carrying out of the foreign aid program authorized by the Foreign Aid Act of 1950, and for other purposes

Submitted to the House of Representatives July 27, 1951

Approved and reported to the House of Representatives July 27, 1951

Approved and reported to the House of Representatives July 27, 1951

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George C. Marshall Foundation, Lexington, Virginia

Calendar No. 656

81ST CONGRESS }
1st Session }

SENATE

{ REPORT
{ No. 655

FOREIGN AID APPROPRIATION ACT, 1950

JULY 12 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 4830]

The Committee on Appropriations, to whom was referred the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$5, 617, 470, 000
Amount of decrease by Senate committee (net).....	¹ 43, 746, 000
Amount of bill as reported to Senate.....	5, 573, 724, 000
Amount of estimates considered.....	6, 322, 544, 000
The bill as reported to the Senate, under the estimates.....	748, 820, 000

¹ Although the foregoing states the Senate reduction in the House bill is \$43,746,000, the amount of the Senate reduction in reality is \$403,871,420. For ECA for fiscal year 1950, the House appropriated on a 10½-month basis. The Senate committee has amended the bill to appropriate on a 12-month basis. Projecting the House bill for ECA on a 12-month basis and comparing such amount with the Senate figure for the same period, reveals a Senate reduction for ECA for fiscal year 1950 of \$299,871,420. To this reduction must be added reductions of \$74,000,000 effected by the Senate committee in the ECA appropriation for the last 3 months of fiscal year 1949, a \$25,000,000 reduction in the funds for government and relief in the occupied areas, and \$5,000,000 cut from the funds for Greece and Turkey—a total reduction of \$403,871,420. (See table at end of report.)

INTRODUCTION

The committee has had the momentously important question of the exact amount of foreign economic assistance that should be granted for the fiscal year 1950, and for a final portion of the fiscal year 1949, before it for a period of more than 1½ months. During this time the committee has conscientiously endeavored to ascertain the true requirements of foreign nations who are recipients of our financial assistance. To this end the most extensive set of hearings possible were

held and a great amount of testimony was presented by the agencies involved in behalf of funds for European economic assistance and for government and relief in occupied areas. Since the committee had before it for consideration more than \$6,000,000,000 in appropriations requests, or one-seventh of the entire spending program of the President for the fiscal year 1950, it was felt that more than ordinary attention should be directed toward these appropriations requests. Recent events tend to indicate that a declining national income, a deficit in our 1949 Federal budget, and an expected larger deficit in the fiscal year 1950, a series of recent price declines, and the obvious recovery of many nations participating in the European recovery program, make possible, and desirable, a lesser amount of appropriations for foreign purposes.

It is for this reason, therefore, that the committee feels constrained to recommend to the Senate reductions in the appropriations for the purposes of this bill aggregating \$748,820,000 under the budget estimates and \$43,746,000 under the amounts allowed by the House.

It is not believed that the reductions made will in any wise either impede the continued progress of these programs or hamper their administration in any appreciable way. Careful allocation of these funds by their administrators with due regard for proper American interests should result in the accomplishment of the goals of these programs and, at the same time, should relieve the American taxpayer of an additional unnecessary drain on his resources in order to assist foreign nations.

LEGISLATIVE BRANCH

SENATE

JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION

The committee provided the sum of \$344,000 for the Joint Committee on Foreign Economic Cooperation, as authorized by Section 124, Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress. The committee heard the chairman of the joint committee and members of his staff. It is the consensus of the committee that the work of the joint committee has been of inestimable value in reviewing and analyzing the functioning of the Economic Cooperation Administration. Therefore, the committee has provided the funds necessary to implement the law and feels that, in view of the vast operation involving a most difficult and complex program, the full time of a committee staff is required in studying and reporting on the progress, the administration, and execution of the programs of United States foreign assistance.

The committee has also restored language to the bill under the appropriation language for government and relief in occupied areas providing that the Joint Committee on Foreign Economic Cooperation shall have the same powers, duties, and responsibilities as it has with respect to ECA appropriations.

THE EUROPEAN RECOVERY PROGRAM

The mere appropriation of funds, no matter how large in amount, will not assist Europe to full recovery unless the nations of Europe, themselves, are willing to cooperate economically to the greatest

extent possible, first, in the elimination of all unnecessary trade barriers and, second, in the free interchange of their currencies on the basis of true value. Steps which are taken in the contrary direction will only serve to increase American liability for future appropriations in greater amount and will put recovery further out of possible reach. European nations which are recipients of our bounty should take greater pains to solve the twin problems of trade barriers and currency exchange.

It is further obvious that the nations of Europe must increase by their own efforts the production of goods for their own use and for export. While production has been on the increase, labor productivity could be increased to assure the success of the program within the time limits established.

The committee is well aware that the amounts recommended for appropriations to the participating countries under the European recovery program are considerably below the amounts recently authorized by the Congress for the last quarter of fiscal 1949 and for the fiscal year 1950. At the time these authorizations were before the Congress the proponents of the program repeatedly stated in answer to attempts to reduce the authorization amounts that the Appropriations Committees of the House of Representatives and the Senate would have a later opportunity to examine the precise needs of this program and to determine these needs in the light of detailed budget justifications. As it has always done, the Senate Committee on Appropriations has exercised this amply recognized function and, therefore, recommends to the Congress a lesser amount of appropriations than the authorizations granted under the substantive act. It does so as the result of a detailed analysis of the budget justifications and the testimony given by the officials representing the program.

The Administrator of the Economic Cooperation Administration testified that he would endeavor, if possible, to utilize the appropriations granted by the House of Representatives on the basis of 10½ months so that they would suffice for the fiscal year 1950. Inasmuch as the committee preferred to make appropriations for the entire fiscal year and inasmuch as the committee has allowed a greater sum for this purpose than was allowed by the House of Representatives, it is our judgment that the Administrator's desire to live within the appropriation grants will be enhanced by the committee action.

The appropriation for the last quarter of fiscal year 1949 has been reduced from the request of \$1,074,000,000 to \$1,000,000,000 since the fiscal year has been completed and ECA could not have legally obligated the Federal Government for this additional amount of \$74,000,000. Under the authorization act, which preceded the consideration of the appropriations requests, the ECA had authority to borrow from the Reconstruction Finance Corporation up to \$1,000,000,000 for the last quarter of 1949, to be repaid from appropriations for this final quarter of this fiscal year. The amount allowed by the committee will permit the repayment of this sum of \$1,000,000,000 borrowed from the Reconstruction Finance Corporation.

The total of \$3,628,380,000 appropriated for the full fiscal year 1950 is based on the committee's recognition of our own national fiscal situation, the general price declines which are still occurring, and the judgment that this sum represents the limit of American capacity to

render foreign economic assistance in the current fiscal year. Furthermore, the committee decided to grant an additional \$150,000,000 in the form of loans to cooperating nations which will be financed as a public-debt transaction and not on an appropriations basis. This sum will be available, however, as economic assistance to Europe during the fiscal year 1950.

The ECA had requested for the last quarter of fiscal 1949 the sum of \$125,000 and for the full fiscal year 1950 the sum of \$500,000 to be utilized as a confidential fund and to be taken from its total appropriation for the European recovery program. The committee eliminated the request for the last quarter of fiscal 1949 since that fiscal period has already been completed and as of April 2, 1949, of the \$200,000 available in the 1949 appropriation act only \$1,582 had been obligated. For fiscal year 1950 the committee allowed a similar sum of \$200,000, reducing the request by \$300,000. The ECA Administrator testified that such reductions would not impede the operations of the program.

The committee allowed the full request of \$16,500,000 for administrative expenses, and took special cognizance of the increase requested for the Controller's offices abroad. It is felt that these offices are a most sensitive and vital aspect of the proper administration of the Economic Cooperation Administration and the committee expects the offices of the Controller to be implemented as indicated in the budget justification. For fiscal 1950, the budget proposal indicates additions of 47 American personnel to these offices. It is the view of the committee that such increase is entirely justified and should be accomplished as expeditiously as feasible.

The committee also included in the bill a provision that \$50,000,000 be granted upon credit terms from the ECA appropriations included in this measure for assistance to Spain, thus bringing that nation into the European recovery program.

In addition, the committee adopted a provision which would prevent the use by a participating country of local counterpart funds when that country (a) failed to comply with any treaty with the United States, or (b) causes or permits any area dependent upon it to fail to comply with any such treaty. In adopting this restriction on the use of counterpart funds the committee had in mind specifically the situation in French Morocco where American business interests are being discriminated against in violation of an existing treaty between the United States and the Moroccan Government.

PUBLICIZING AMERICAN ASSISTANCE TO EUROPEAN NATIONS

While the committee recognizes that ECA has expended nominal sums of money, including local currency funds, for the purpose of publicizing the assistance furnished by the American taxpayer under this program to each participating country, we consider this activity so important that an express directive to that effect is included in this appropriation bill, which admonishes the Administrator to utilize local currency funds to the fullest extent possible to give full and continuous publicity through all available media, regarding the assistance, including its purpose, source, and character, furnished pursuant to the Economic Cooperation Act of 1948.

This amendment will make available for publicizing American assistance 1 percent of counterpart funds, in addition to the 5 percent

now required pursuant to section 115 (h) of Public Law 472, as amended, for use by the ECA for administration, purchase of strategic materials, and for other purposes.

Of the counterpart funds already deposited, less than two-thirds has been allocated for utilization by the participating countries. The committee provision for publicizing American assistance, therefore, will not jeopardize the counterpart funds.

DISMANTLING OF GERMAN WAR PLANTS

The authorization bill for the Economic Cooperation Administration as originally approved by the Congress provided for a review of plants to be dismantled for reparations. This law, as interpreted, made no provision for a review of the "Prohibited and Limited Industries." The committee has approved the following language to be inserted in the bill which will provide for a review of the list of Limited and Prohibitive Industries scheduled for destruction in, or removal from, Germany:

Provided further, That the list of Limited and Prohibitive Industries scheduled for destruction in, or removal from, Germany shall be reviewed and the Administrator of the Economic Cooperation Administration shall seek to obtain the retention in Germany of such plants on this list as would best serve European recovery if left in Germany.

Attention is called to the fact that by a recent order of the military government of the three western zones, the dismantling of a hydrogenation plant at Gelsenberg has been ordered, although this plant was by order of the military authorities reconstructed during the winter of 1948-49 and although a similar plant at Wesseling is permitted to continue to operate. It would appear that the dismantling of this plant in accordance with the recent order will throw 3,000 persons out of employment and, of course, will reduce production in western Germany. It is reported that the plant at Wesseling is being operated on behalf of the Dutch Shell Oil Co. while the plant at Gelsenberg is operated by Standard Oil. Crude petroleum for both plants is furnished through the ECA. Likewise, it is reported that similar orders have been issued with respect to a group of six plants employing the Fischer-Tropsch process of hydrogenation of coal, an indigenous product. The entire output of such plants as are in operation is being consumed in the German economy. These incidents are recited as an indication of the great need for review of the orders dismantling plants which produce for the German economy, in view of the added expense to the American taxpayer of continuing such programs.

ASSISTANCE TO GREECE AND TURKEY

The committee reduced the amount requested for assistance to Greece and Turkey from \$50,000,000 to \$45,000,000. This appropriation represents the final phase of an authorized program of \$675,000,000, and it was requested by the President pending action on a general request for military assistance now before the Congress. A majority of the members of the committee were of the view that the sum allowed will not impair our obligations under the original Greek-Turkey authorization act and that the sum would be sufficient in view of general price declines.

NATIONAL MILITARY ESTABLISHMENT

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

With respect to government and relief in occupied areas the committee was of the opinion that former enemy nations would not suffer unduly by a restriction of funds to \$900,000,000, which is \$25,000,000 less than allowed by the House of Representatives. A wise and prudent administration of these funds, whether by the Department of the Army or the State Department, which is expected to succeed the Army in the discharge of this function, should make it possible for the responsible administrators to govern and to assist these occupied areas without difficulty.

Moreover, the committee was convinced that the Department of the Army was requesting a larger sum for administrative purposes than could be reasonably justified for the handling of the problems inherent in providing government and relief in occupied areas. In consequence, the committee ordered a reduction from \$45,000,000 to \$40,000,000 for the expenses of operating this program.

CLEARANCE OF FOREIGN PERSONS ENTERING THE UNITED STATES

The committee particularly wishes to express its concern over the interchange-of-persons program involving the bringing of national leaders, industrial and labor leaders, and students from participating countries and from occupied areas to this country. Both GARIOA and ECA are enjoined to exercise the greatest possible care to insure that foreign nationals whose friendship and regard for this country are questionable should not be permitted to visit this country, at our expense, in any guise. It is likewise felt that any amplification of these programs for the interchange of persons should be held to the minimum consistent with the positive value to be obtained from such expansion and the availability of funds which may be safely diverted from the major purposes of both GARIOA and ECA.

By way of reiteration, the committee fully expects the maximum possible screening and clearance of all foreign nationals allowed to enter this country under the guise of national leadership, education, or other reorientation schemes.

INCREASES AND LIMITATIONS

The changes in the amounts of the House bill recommended by the committee are as follows:

Legislative Branch

SENATE

Contingent expenses of the Senate:

Joint Committee on Foreign Economic Cooperation	\$344, 000
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The committee has approved an amendment to the bill providing for an appropriation of \$344,000 for the Joint Committee on Economic Cooperation. The budget estimate for the joint committee is \$344,000; however, no funds were provided for the committee by the House in the legislative branch appropriation bill for 1950.

Economic Cooperation Administration

ECA program for fiscal year 1950	\$59, 910, 000
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The budget estimate for the program for fiscal year 1950 is \$4,198,200,000. The House approved an appropriation of \$3,568,470,000, with the provision that the funds could be expended in a 10½-month period. The committee has deleted the provision with respect to the 10½-month period, thereby placing the appropriation on a full fiscal-year basis. The committee has provided an appropriation for the full fiscal year of \$3,628,380,000, which is an increase in the appropriation in the bill of \$59,910,000. However, as is explained on page 1 of this report, the amount allowed by the Senate committee is in reality a reduction under the House figure of \$299,871,420 by reason of the appropriation being made for a 12-month period. The House figure for a 12-month period which would be comparable with the Senate committee figure is \$4,078,251,420. The difference between this figure and the Senate committee figure is \$449,871,420, from which is subtracted \$150,000,000 which the committee has provided as a public-debt transaction, resulting in a reduction of \$299,871,420. The \$150,000,000 authorized as a public-debt transaction will be available to the ECA in the form of a loan from the Treasury of the United States and this amount together with the appropriation of \$3,628,380,000 provided in the bill will provide a total amount available to the ECA of \$3,778,380,000, which is 10 percent under the budget estimate of \$4,198,200,000.

Confidential fund, period Apr. 3, 1949, to June 30, 1949:

The committee has recommended that the following language in the bill be deleted:

of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified * * *

INCREASES AND LIMITATIONS—Continued

Economic Cooperation Administration—Continued

Confidential fund, fiscal year 1950:

The committee has approved an amendment reducing the amount available for a confidential fund for fiscal year 1950 from \$500,000 approved by the House to \$200,000.

Agricultural products, surplus:

The committee has approved the following language to be inserted in the bill:

(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall be available only for such financing, and (2)

The foregoing amendment refers to the Economic Cooperation Administration budget justification submitted to the Senate. The ECA budget justification submitted to the Senate includes the tables and other material submitted by the ECA which breaks down in detail the expected purchases of agricultural products.

Spain, assistance to:

The committee has approved the following language be inserted in the bill which provided that \$50,000,000 of the funds available to the ECA shall be used only for assistance to Spain:

That of this appropriation \$50,000,000 shall be used only for assistance to Spain, to be extended upon credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended: Provided further

Authority for ECA to borrow from Treasury:

The committee has approved the following language to be inserted in the bill which authorizes the ECA to borrow from the Treasury \$150,000,000 for use on credit terms:

: Provided further, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000, for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said Act; and the provisions of paragraph (2) of section 111 (c) of said Act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein

Counterpart funds to publicize American assistance:

The committee has approved an amendment reading as follows with respect to the use of part of the counterpart funds in the furtherance of publicity by press, radio, or any other means of the use of Economic Cooperation Administration funds:

: Provided further, That the Administrator is authorized to utilize any unexpended portion of the 5 per centum of

INCREASES AND LIMITATIONS—Continued

Economic Cooperation Administration—Continued

Counterpart funds to publicize American assistance—
Continued

each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 (allocated in title I, Public Law 793, Eightieth Congress), as amended by section 9 (b) of Public Law 47, Eighty-first Congress, and an additional 1 per centum of such funds as shall accrue in each of said special local currency accounts after passage of this Act in the furtherance of publicity by press, radio, or any other means of the use of Economic Cooperation Administration funds

Limitations on aid to countries failing to comply with
any treaty with United States:

The committee has approved the following amendment which has been inserted in the bill:

: Provided further, That none of the local currencies required by section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, to be deposited in local currency accounts as a result of assistance furnished, through the use of funds appropriated by the foregoing provisions of this title, shall be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States, or (b) causes or permits any area dependent upon it (as designated in the Bilateral Agreements) to fail to comply with any such treaty

Dismantling of German war plants:

The committee has approved the following language to be inserted in the bill:

Provided further, That the list of Limited and Prohibitive Industries scheduled for destruction in, or removal from, Germany shall be reviewed and the Administrator of Economic Cooperation Administration shall seek to obtain the retention in Germany of such plants on this list as would best serve European recovery if left in Germany.

National Military Establishment

Agricultural products, surplus:

The committee has approved the following language to be inserted in the bill:

(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Department of the Army budget justification submitted to the Senate shall be available only for such financing, and (2)

The foregoing amendment refers to the Department of the Army budget justification submitted to the Senate. The Department of the Army budget justification submitted to the Senate includes the tables and other material submitted by the Department of the Army which breaks down in detail the expected purchases of agricultural products.

INCREASES AND LIMITATIONS—Continued

National Military Establishment—Continued

Members of armed forces employed for GARIOA operations:

The committee has approved the following amendment for inclusion in the bill:

: Provided, That when members of the armed forces are employed primarily for the purpose of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid therefrom

Employees of civilian agencies utilizing Army facilities for purchase of supplies:

It was represented to the committee that when employees of civilian agencies of the Government purchase supplies through Army facilities an additional charge of 10 percent is imposed upon them. The transfer of control of the military government in Germany from the Department of the Army to the Department of State would result in an additional charge of 10 percent being made on the purchases of employees who will be transferred from the Army Department to the State Department. Accordingly, the committee has approved the following language to be included in the bill:

: Provided further, That when the Department of the Army, under the authority of the Act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 per centum additional charge required by said Act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany

General Provisions

Fertilizer amendment:

The committee has approved an amendment to the bill dealing with the fertilizer situation which reads as follows:

SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, West Virginia, the Ohio River Ordnance Works at West Henderson, Kentucky, and the San Jacinto Ordnance Works at San Jacinto, Texas, for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for Government and Relief in Occupied Areas an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury: Provided, however, That nothing in this section shall be construed to repeal the provisions of section 205 of Public Law 793, Eightieth Congress, with respect to the production and allocation of nitrogenous fertilizer materials for domestic use.

Total increase ----- \$60, 254, 000

DECREASES AND LIMITATIONS

Economic Cooperation Administration

ECA program for period Apr. 3, 1949, to June 30, 1949----- \$74, 000, 000

The budget estimate for the ECA program for the last quarter of the fiscal year 1949 is \$1,074,000,000. The House approved the full budget estimate. The committee has approved an appropriation for this period of \$1,000,000,000 which is a reduction in the House bill of \$74,000,000.

Assistance to Greece and Turkey

Assistance to Greece and Turkey, fiscal year 1950 --- 5, 000, 000

The budget estimate for the Greece and Turkey program for fiscal year 1950 is \$50,000,000 which is the amount approved by the House. The committee has approved an appropriation for this purpose of \$45,000,000 which is a reduction of \$5,000,000 in the House bill.

National Military Establishment

Government and relief in occupied areas----- 25, 000, 000

The budget estimate for the GARIOA program for fiscal year 1950 is \$1,000,000,000. The House approved an appropriation of \$925,000,000 and the committee has reduced this figure by \$25,000,000 to provide an appropriation of \$900,000,000. The committee has also effected a reduction in the amount available for administrative expenses from \$45,000,000 approved by the House to \$40,000,000.

Total decrease-----	104, 000, 000
Total increase-----	60, 254, 000
Net decrease-----	43, 746, 000
Amount of bill as reported to Senate-----	5, 573, 724, 000

COMPARISON OF AMOUNTS IN BILL WITH APPROPRIATIONS FOR 1949 AND ESTIMATES FOR 1950

	Appropriated and recommended, 1949	Amount of budget estimate, 1950	Amount recommended in House bill, 1950	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate committee bill compared with—		
					Appropriations, 1949	Estimates, 1950	House bill, 1950
Joint Committee on Foreign Economic Cooperation.....	\$282,000	\$344,000		\$344,000	+\$62,000		+\$344,000
Economic Cooperation Administration (Apr. 3, 1948-Apr. 2, 1949).....	4,000,000,000				-4,000,000,000		
Public debt transaction under sec. 111 (c) (2), Public Law 472 (80th Cong.) (Apr. 3, 1948-Apr. 2, 1949).....	¹ 1,000,000,000			¹ 150,000,000	-850,000,000	+\$150,000,000	
Supplemental (Apr. 3-June 30, 1949).....	² 1,000,000,000				-1,000,000,000		
Regular annual (fiscal year 1950).....		4,198,200,000	³ \$3,568,470,000	³ 3,628,380,000	+3,628,380,000	-569,820,000	³ +59,910,000
Assistance to Greece and Turkey.....	225,000,000	50,000,000	50,000,000	45,000,000	-180,000,000	-5,000,000	-5,000,000
Government and relief in occupied areas.....	1,300,000,000	1,000,000,000	925,000,000	900,000,000	-400,000,000	-100,000,000	-25,000,000
Total (for comparative purposes).....	6,525,282,000	5,248,544,000	4,543,470,000	4,573,724,000	-1,951,558,000	-674,820,000	+30,254,000
Economic Cooperation Administration, fiscal year 1949.....		1,074,000,000	1,074,000,000	1,000,000,000		-74,000,000	-74,000,000
Total in accompanying bill.....		6,322,544,000	5,617,470,000	5,573,724,000		-748,820,000	-43,746,000

¹ Not appropriated funds.

² Carried in accompanying bill.

³ The Senate committee bill places the appropriation for ECA for fiscal year 1950 on a 12-month fiscal-year basis, whereas the House had authorized the use of the funds in 10½ months. If the House figure of \$3,568,470,000 for 10½ months is projected for a 12-month period, the figure for comparison with the Senate amount is \$4,078,251,420. Whereas the above table indicates the Senate committee bill for ECA is in excess of the House bill in the amount of \$59,910,000, in reality the Senate committee bill for ECA for fiscal year 1950 is under the House bill in the amount of \$299,871,420. This figure is calculated by adding \$150,000,000 which the Senate committee authorized in the form of a public-debt transaction to the Senate committee figure of appropriations in the bill of \$3,628,380,000 for a total of \$3,778,380,000 and subtracting this Senate figure from \$4,078,251,420, which is the House figure on a projected 12-month basis.

[PUBLIC LAW 583--51st Congress]
[CHAPTER 405--2d Session]

[H. R. 8571]

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1890, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the sums hereinafter appropriated, out of any moneys in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1890, and for other purposes

CHAPTER I

DISTRICT OF COLUMBIA

(Out of revenues of the District of Columbia)

Public Schools

Salaries

For an additional amount for "Salaries" \$10,000

COMPENSATION AND RETIREMENT

DISTRICT GOVERNMENT EMPLOYEES

For an additional amount for "Compensation and Retirement", \$15,000

Revenue

DEPARTMENT OF WEIGHTS AND MEASURES

For an additional amount for "Weights and Measures", \$5,000

Public Buildings

OPERATING EXPENSES--GENERAL DISTRICT GOVERNMENT

For an additional amount for "Operating Expenses", \$180,000

Metropolitan Police

For an additional amount for "Metropolitan Police" \$10,000

Corporation

MUNICIPAL GOVERNMENT

For an additional amount for "Municipal Government" \$10,000

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