

P.L. 249

George C. Marshall Foundation, Lexington, Virginia

Public Law 249 - 82d Congress
Chapter 656 - 1st Session
H. R. 5684

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1952, 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, 1952, namely: Mutual Security
Appropriation
Act, 1952.

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1951 (Public Law 165, approved October 10, 1951), as follows: 65 Stat. 373.

Military assistance, title I: For assistance authorized by section 101 (a) (1), \$4,818,852,457, of which \$44,476,271 is for payment of obligations incurred under authority granted in the Second Supplemental Appropriation Act, 1950, and extended in the Foreign Aid Appropriation Act, 1951, to enter into contracts under the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604); and, in addition, unexpended balances of appropriations heretofore made for carrying out the purposes of title I of the Mutual Defense Assistance Act of 1949, as amended, shall remain available through June 30, 1952, and such unexpended balances of appropriations shall be consolidated with this appropriation; 63 Stat. 973.
63 Stat. 714.
65 Stat. 730.

Economic and technical assistance, title I: For assistance authorized by section 101 (a) (2), \$1,012,000,000; and, in addition, \$10,000,000 to carry out the provisions of section 115 (e) of the Economic Cooperation Act of 1948, as amended, except that when determined by the Director such balances as cannot be effectively expended shall be merged with funds appropriated under section 101 (a) (2) of the Mutual Security Act of 1951; and, in addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), shall remain available through June 30, 1952, and be consolidated with this appropriation; 65 Stat. 731.
62 Stat. 153.
22 U.S.C. § 1513.
65 Stat. 374.

Assistance to Spain: For economic, technical, and military assistance, in the discretion of the President under the general objectives set forth in the declaration of policy contained in the titles of the Economic Cooperation Act of 1948 and the Mutual Security Act of 1951, for Spain, \$100,000,000;

Military assistance, title II: For assistance authorized by section 201, \$396,250,000; and, in addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the Act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), shall remain available through June 30, 1952, and be consolidated with this appropriation; 61 Stat. 103.
63 Stat. 714.

Economic and technical assistance, title II: For assistance authorized by section 203, \$160,000,000;

Military assistance, title III: For assistance authorized by section 301, \$535,250,000; and, in addition, unexpended balances of appropriations heretofore made for the purposes of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), shall remain available through June 30, 1952, and be consolidated with this appropriation; 63 Stat. 716.

64 Stat. 202.

Economic and technical assistance, title III: For assistance authorized by section 302, \$237,155,866; and, in addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), shall remain available through June 30, 1952, and be consolidated with this appropriation;

64 Stat. 5.

Contributions to United Nations Korean Reconstruction Agency, title III: For the United States contribution to the United Nations Korean Reconstruction Agency as authorized by section 303, the unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), shall remain available through June 30, 1952, and be consolidated with this appropriation;

Military assistance, title IV: For assistance authorized by section 401, \$38,150,000;

Technical assistance, title IV: For assistance authorized by section 402, \$21,245,653.

GENERAL PROVISIONS

Availability of appropriations.

65 Stat. 373.

65 Stat. 731.

65 Stat. 732.

Expenditures of confidential character.

Acquisition of temporary quarters.

Officers of PHS and Coast and Geodetic Survey.

SEC. 2. Appropriations in this Act under the heading "Mutual Security" for economic and technical assistance and allocations from any appropriations under such heading to the Director for Mutual Security or the Mutual Security Agency shall be available, without limitation on any authority conferred by the Mutual Security Act of 1951 or any Act continued in effect thereby, for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations; hire of passenger motor vehicles; purchase of not to exceed ten aircraft for use outside the continental limits of the United States and maintenance, operation, and hire of aircraft; purchase of not to exceed fifty passenger motor vehicles for use outside the continental limits of the United States and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced for an equal number of such vehicles; transportation of privately owned automobiles; entertainment within the United States (not to exceed \$20,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed \$50,000) of a confidential character other than entertainment provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of Mutual Security, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; acquisition of temporary quarters outside the continental limits of the United States to house employees of the United States Government by rental (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, or construction and necessary repairs and alterations to such temporary quarters; health and accident insurance for foreign trainees and technicians while en route or absent from their own countries participating in activities authorized under the Mutual Security Act of 1951; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1951; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for purposes of providing such services the Public Health Service may appoint not to exceed 20 officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in

accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed 20 commissioned officers in addition to those otherwise authorized: *Provided*, That not to exceed \$75,000,000 shall be available for administrative expenses of the departments and agencies concerned with the administration of the programs provided for herein and no part of such amount shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area.

SEC. 3. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included 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 or fund 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.

Persons engaging, etc., in strikes against or advocating overthrow of U.S. Government.

Affidavit.

Penalty clause.
65 Stat. 732.
65 Stat. 733.

SEC. 4. This Act may be cited as the "Mutual Security Appropriation Act, 1952".

Short title.

Approved October 31, 1951.

82D CONGRESS
1st Session

} HOUSE OF REPRESENTATIVES {

REPORT
No. 1124

MUTUAL SECURITY APPROPRIATION BILL, 1952

OCTOBER 10, 1951.—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. 5684]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Mutual Security for the fiscal year ending June 30, 1952.

The Mutual Security Act, signed by the President on October 10, 1951, was considered by the Congress so recently as to require no further comments as to the need for a program of mutual security. The purposes to be served by the various provisions of the enabling act are well documented in records of floor debates and in the hearings and reports of the two legislative committees of the Congress. The committee, in general, concentrated its efforts on the evaluation of proposed programs to determine whether or not the requests were justified and to assure itself that such funds as are appropriated would be well spent.

In recommending appropriations carried in the accompanying bill the committee did, however, bear in mind the one overpowering fact, i. e., that Russia's apparent intentions are the destruction of the free world including the United States, through military or economic means or a combination of both. The committee, although seriously concerned with our mounting Federal indebtedness and the ever increasing threat of inflation, believes that certainly for the present the military threat to our freedom is the greater of the two evils and accordingly recommends substantially the amounts recently authorized for the program.

The bill includes four titles covering as many areas of the world. Military and economic assistance recommended by the committee correspond with the budget estimates with the exception of a reduction

of \$45,000,000 for economic aid under Title III. The total recommended will be supplemented by \$816,727,306 representing authorized reappropriations of funds heretofore available. Summary of the bill is as follows:

Title	Area	Military	Economic	Total
I	Europe.....	\$5, 072, 476, 271	\$1, 022, 000, 000	\$6, 094, 476, 271
II	Near East and Africa.....	396, 250, 000	160, 000, 000	556, 250, 000
III	Asia and Pacific.....	535, 250, 000	237, 155, 866	772, 405, 866
IV	American Republics.....	38, 150, 000	21, 245, 653	59, 395, 653
	Totals of bill.....	6, 042, 126, 271	1, 440, 401, 519	7, 482, 527, 790

TITLE I—EUROPE

This title covers the general area of Europe and specifically includes military aid for nine of the eleven other countries who are members of the North Atlantic Treaty Organization (NATO) and economic assistance to five of these countries with the addition of Austria, Western Germany, Greece, Iceland, Turkey, and Yugoslavia.

The total requested and approved for Title I is \$6,094,476,271 of which \$5,072,476,271 is for military aid and \$1,022,000,000 for economic aid. The amount recommended for military aid includes \$44,476,271 to liquidate contract authority previously granted. Unobligated balances of fiscal year 1951 appropriations carried forward will increase the total new obligational authority to \$5,594,253,233 for the military and \$1,023,383,000 for economic assistance.

MILITARY ASSISTANCE

The committee is convinced that Europe must be protected in our own defense interest because, should Europe fall, the balance represented by manpower, production, raw materials, and strategic bases would become so heavily in favor of Russia as to endanger our very existence. Page 55 of hearings contain comparative tabulations of population and certain productive capacities which might be lost.

European military requirements as presented to the committee were based on total commitments by each of the NATO countries in the form of forces actually mobilized or to be mobilized by June 30, 1952. The extent of assistance by the United States was then based on the requirements of each military component, less such equipment as can be supplied by the countries themselves. This assistance is in the form of military end-use items only and does not include such things as personal equipment, uniforms, housing, food, and other soft goods requirements of mobilized forces. In no instance does the United States meet total estimated deficiencies.

It should be pointed out that all military requirements are screened by our Military Assistance Advisory Groups located in each of the countries. A second screening is made through our regional military mission in London in order to insure that production capacities of each country are fully utilized and that we supply nothing which those countries, either individually or collectively, can supply themselves.

In view of the established timetable to be fulfilled, the careful screening given all military requirements, and the fact that the original

request of the Administration is already reduced by \$265,000,000, the committee felt that a further reduction could not be justified. It is especially during this year that all possible impetus must be given the North Atlantic Treaty Organization. Such funds as may be appropriated but unobligated by the end of the fiscal year can be applied to a continuation of the program into subsequent years as planned.

Testimony before the committee has given rise to the question of maximum contributions by other NATO countries. An analysis of productivity, standards of living, and military expenditures would seem to indicate that certain countries are lagging in their efforts in this respect. It should be axiomatic that a truly mutual program must be supported by nothing less than the maximum efforts of all participants. The committee is not familiar with any extenuating circumstances resulting in the absence of maximum efforts, but is convinced that anything tending to cast the slightest doubt on the success of the program must be avoided.

ECONOMIC ASSISTANCE

The military and economic programs for Europe are so integrated as to make it impracticable to discuss the economic program as a separate feature of the mutual security effort. As in our own country, effective military preparedness must be based on economic strength. While most of the ERP countries have made encouraging economic progress since the inception and as a result of the Economic Cooperation program they are still unable to absorb the expanded military programs which have been superimposed on the narrow economic margins under which they are still operating.

The program is designed for assistance to eleven countries. Except in the case of Greece and Turkey, military considerations directly entered into the decision to supply economic aid to all countries. Nonetheless, the absence of aid to these two countries would affect the security position of the United States through a deterioration of the economic positions of these nations and through a reduction in the armed forces which these countries could support without external aid.

Total adjusted obligations for the economic program under Title I during fiscal year 1951 were \$2,492,596,000. Of this amount a total of \$2,094,784,000 was obligated for direct country aid. The comparable amounts for fiscal year 1952 are \$1,023,383,000 total availability of which \$936,908,000 is for direct country aid. Furthermore, it appears that price developments in the United States since ECA made its calculations last spring indicate that a given aid appropriation will support a smaller European import program than originally calculated.

The European recovery program was not quite finished when the need of rearmament became imperative. Standards of living, while improved, are still at or below the 1938 level. Needed increases to support the expanding military economy must in large measure come out of increased production rather than a decreased living standard.

The Gross National Product of the European nations has increased from \$121 billion in 1950 to \$133 billion in 1951. Military budgets are increased from 5 percent to 5.7 percent of the Gross National Product. Further and substantial increases in military budgets are expected in 1952. Gold and dollar reserves, as a result of concentration of efforts on the military economy to the detriment of producing

goods for export and the changing world price structure, are decreasing in most of the countries affected by this program. Imports, at higher prices, must be increased to support increased military economies whereas reduced production of civilian goods for export result in decreases in the dollar earnings.

Of the total economic aid recommended \$936,908,000 is for direct country aid, \$20,000,000 for technical assistance, \$2,700,000 for ocean freight on relief packages, and \$38,325,000 for development of basic materials needed for the defense effort.

The authorizing legislation provides that not more than \$10,000,000 may be utilized for the emigration of surplus manpower. Witnesses of the agencies to administer the Mutual Security Program agreed that the problem of excess manpower in some areas with a shortage in others was not only an obstacle to the success of the program but also that it was a problem subject to at least partial solution. In the specific case of Italy it was agreed that until the overpopulation is drained off the nation will never be economically sound. Despite this situation it was also testified that currently there are no plans for using any of the funds authorized for the purpose of encouraging the emigration of surplus manpower to areas where such manpower is greatly needed. The present position of inaction seems to be in keeping neither with the intent of existing legislation nor the recognized situation. The committee strongly urges that immediate steps be taken to develop a program aimed at the solution of this problem through direct negotiations with the countries involved.

TITLE II—NEAR EAST AND AFRICA

Militarily the security of The Near East and Africa is of great importance to the security of the free world. Every major airline between Europe and the East passes over this area. All water traffic between the two must pass through the Suez Canal or take the much longer and so more costly route around Africa. This land connection between Asia and Europe would be of obvious advantage to any Communist military move against the West. In view of the strategic importance of this region the committee has approved the request for additional funds for military aid in the amount of \$396,250,000 and the reappropriation of \$69,018,294 of funds previously provided and unobligated June 30, 1951. Most of the military assistance proposed under this program will be extended to Greece and Turkey since both of these countries have demonstrated both their ability to make efficient use of such assistance and their sincere interest in collective security by their cooperation with the United Nations' forces in Korea. The assistance proposed for Iran is quite limited and aimed primarily at maintenance of internal security. Not in excess of 10 percent of the funds would be used for aid to other countries in this area.

The bill contains a total of \$160 million for economic assistance for the Near East and Africa embracing thirteen free nations. The amount includes provision for the care and resettlement of approximately 800,000 Arab refugees and for the care of refugees coming into Israel. While the amount of \$60,000,000 recommended for technical assistance is relatively not large when it is considered that it will be expended in thirteen different countries, it must be pointed out that this amount will, nevertheless, make a tremendous

impact on the economy of the area because of the present low standards of living. This part of the world must in our own interests be guided in its present period of unrest so that it can make a real contribution as an ally of the Western World in its present struggle for survival.

It was testified that no program has as yet been developed for the expenditure of \$50 million recommended for refugees coming into Israel, and it is hoped that no program will be embarked upon until the situation is thoroughly explored so that appropriated funds will be effectively expended.

TITLE III—ASIA AND THE PACIFIC

This portion of the Mutual Security program covers the area of the free world from Afghanistan to Korea with the exception of Japan whose needs are otherwise provided for. The specific countries are India, Pakistan, Afghanistan, Ceylon, Nepal, Thailand, Burma, the Associated States of Indochina and Indonesia, the Philippines, Formosa, and Korea.

Military assistance in the amount of \$659,646,298, made up of \$535,250,000 new funds and \$124,396,298 of reappropriated funds, has been approved for this area which is vital to the security of the free world for a number of compelling reasons. It lies astride the vital Pacific Ocean lines of communication and is largely contiguous to the Communist-dominated central land mass of Asia. It contains large resources of strategic materials essential to the productivity of the free world, including 60 percent of the world's supply of tin, 95 percent of its natural rubber, and all of its jute, to mention a few of the most important. It contains approximately 30 percent of the world's population which if under Russian domination would give the Communists the majority of the world's manpower.

The United States primary military objective is to develop sufficient military power where needed to maintain internal security and discourage communist military aggression. The program to accomplish this objective varies with the conditions in the various countries.

In Formosa, the Chinese Nationalists will be provided items of equipment which are needed to defend the island effectively against invasion, assuming present conditions are continued. In the Philippines and Indochina, the program provides estimated equipment and maintenance requirements to sustain the forces which are combating armed uprisings; in addition, matériel is being provided for the support of forces of the native states of Indochina. The program for Thailand will complete the reequipping of the forces in being of the Army, considerably modernize its Air Force, and enable its Navy to keep a maximum number of its ships operational.

In each case the program is based upon the recommendations of an American survey group including experts in military planning, logistics and training, which has visited the country and reported in detail upon its needs, its resources, and its capacity to employ modern military matériel.

The request for economic assistance to this area totaled \$282,156,000 of which \$45,000,000 was requested for contribution to the United Nations Korean Reconstruction Agency. The committee has disallowed the latter amount since testimony revealed that approximately \$50,000,000 of funds previously provided were unobligated June 30, 1951, and that this agency's fund requirements will be nominal until a

military settlement is reached in Korea. The balance of \$237,156,000 which has been allowed is to provide a program which will assure that the forces of nationalism are associated with the rest of the free world rather than with communism and will assist in the creation of social and economic conditions that will permit the growth and survival of noncommunistic political institutions.

A combination of factors makes this an area of unrest or potential unrest and so more susceptible to the influence of communism than most other areas of the free world. These countries are marked by poverty and gross underdevelopment. The destruction of physical assets during World War II, and since, have been devastating in several of them. Most have only recently gained their independence. They lack not only the well developed industrial, agricultural, political and educational systems but also the administrative personnel and technicians capable of developing such systems. The proposed economic aid is aimed almost entirely toward helping these countries, through technical assistance, in overcoming these obstacles. Of the \$237,500,000 (including \$344,000 of reappropriated funds) available, \$232,486,000 is programed for direct country aid of which only \$1,200,000 is for emergency relief. The additional \$5,014,000 is programed: \$4,914,000 for multilateral technical cooperation and \$100,000 for ocean freight on voluntary relief packages.

TITLE IV—AMERICAN REPUBLICS

The military program for the American Republics for which \$38,150,000 is recommended, will in the main consist of rehabilitation and repair of equipment already on hand, together with a small amount of additional equipment, for forces required to perform specific defense tasks in the Western Hemisphere. The principal benefits of this aid will be the training of selected personnel who in turn will through military schools expand American methods for a more effective and better coordinated joint defense effort. The amount of direct aid represents only a small portion of the military expansion of the American Republics since by far the larger expansion will come about through reimbursable aid for which a total of \$500 million is authorized in the Mutual Security Act.

As in other nations, the expanded military effort must be based on an expanded economy. Toward the accomplishment of this end the bill carries the amount of \$21,245,653 for technical cooperation with twenty American Republics.

ADMINISTRATION

The committee is somewhat concerned with the apparent dispersed efforts that are being made in the technical assistance and other development programs outside of the direct country aid programs under Title I. While it is admitted that ECA and the Department of State operate in different areas of the world the committee, nonetheless, reaches the inescapable conclusion that lost motion and duplication of effort must result. Similarly in many of the countries whom we are trying to assist are two programs, one through the United Nations, to whom we contribute, and one through direct application in the individual countries of a purely bilateral program

with the United States. If this important program is to survive it must be restudied with the view of placing it under one agency, be that agency the United Nations, the Department of State, the Mutual Security Administration, or some other entity. It would seem to the committee that all of these and related programs are one of purpose rather than area or degree of effort.

The bill includes a limitation of \$75,000,000 for all administrative expenses connected with the program. The committee fully appreciates the magnitude and diversity of the job to be done but is not impressed with the need for \$38,000,000 administrative expenses for the Department of Defense in addition to nearly \$11,000,000 of local currency expenditures. Likewise, it is difficult to conceive of a total administrative need of the Department of State of some \$15,500,000. The reduction effected by the committee should be applied to these two departments. It is hoped that additional administrative savings can be effected by the Mutual Security Administrator.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1951 AND ESTIMATES AND AMOUNTS RECOMMENDED IN BILL FOR 1952

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Item	Appropriations, 1951	Estimates, 1952	Recommended in bill for 1952	Bill compared with—	
				1951	1952 estimate
MILITARY ASSISTANCE					
Title I-----	\$4, 504, 000, 000	¹ \$5, 072, 476, 271	¹ \$5, 072, 476, 271	+ \$568, 476, 271	-----
Title II-----	324, 500, 000	396, 250, 000	396, 250, 000	+ 71, 750, 000	-----
Title III-----	394, 000, 000	535, 250, 000	535, 250, 000	+ 141, 250, 000	-----
Title IV-----	-----	38, 150, 000	38, 150, 000	+ 38, 150, 000	-----
Total, military assistance-----	5, 222, 500, 000	¹ 6, 042, 126, 271	¹ 6, 042, 126, 271	+ 819, 626, 271	-----
ECONOMIC ASSISTANCE					
Title I-----	2, 250, 000, 000	1, 022, 000, 000	1, 022, 000, 000	— 1, 228, 000, 000	-----
Title II-----	27, 450, 000	160, 000, 000	160, 000, 000	+ 132, 550, 000	-----
Title III-----	90, 000, 000	282, 155, 866	237, 155, 866	+ 147, 155, 866	— \$45, 000, 000
Title IV-----	² 34, 500, 000	21, 245, 653	21, 245, 653	— 13, 254, 347	-----
Total, economic assistance-----	² 2, 401, 950, 000	1, 485, 401, 519	1, 440, 401, 519	— 961, 548, 481	— 45, 000, 000
Total, military and economic assist- ance-----	7, 624, 450, 000	¹ 7, 527, 527, 790	¹ 7, 482, 527, 790	— 141, 922, 210	— 45, 000, 000

¹ Includes \$44,476,271 for payment of obligations incurred under prior contract authority.

² Excludes \$1,000,000 in contract authority made available by Public Law 759, 81st Cong.

MUTUAL SECURITY APPROPRIATION BILL, 1952

Calendar No. 912

82D CONGRESS }
1st Session }

SENATE

{ REPORT
No. 960

MUTUAL SECURITY APPROPRIATION BILL, 1952

OCTOBER 16 (legislative day, OCTOBER 1), 1951.—Ordered to be printed

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

REPORT

[To accompany H. R. 5684]

The Committee on Appropriations, to whom was referred the bill (H. R. 5684) making appropriations for Mutual Security for the fiscal year ending June 30, 1952, 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----- \$7, 482, 527, 790

Amount of decrease by Senate committee (net)----- —274, 126, 390

Amount of bill as reported to Senate----- 7, 208, 401, 400

Amount of estimates considered----- 7, 527, 527, 790

The bill as reported to the Senate is under the estimates----- 319, 126, 390

Summary of Senate committee recommendations

Title	Area	Military	Economic	Total
I	Europe-----	\$4, 818, 852, 457	\$970, 900, 000	\$5, 789, 752, 457
II	Near East and Africa--	376, 437, 500	152, 000, 000	528, 437, 500
III	Asia and Pacific-----	508, 487, 500	225, 298, 073	733, 785, 573
IV	American Republics---	36, 242, 500	20, 183, 370	56, 425, 870
	Total-----	5, 740, 019, 957	1, 368, 381, 443	7, 108, 401, 400
	Assistance to Spain---	\$100, 000, 000		100, 000, 000
	Grand total-----	-----	-----	7, 208, 401, 400



GENERAL STATEMENT

In Public Law 165, signed October 10, 1951, the Congress authorized appropriations of \$7,483,400,000 together with unexpended balances of appropriations previously granted estimated to total \$816,727,304, to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security. The budget estimate submitted to the Congress for new appropriations totaled \$7,527,527,790, including \$44,476,271 for payment of obligations incurred under authority previously granted to enter into contracts under the Mutual Defense Assistance Act of 1949, as amended.

The House of Representatives has recommended an appropriation of \$7,482,527,790, including the \$44,476,271 previously referred to. The House effected a reduction of \$45,000,000 in the funds requested for economic assistance under title III for contribution to the United Nations Korean Reconstruction Agency. The House recommended that the unexpended balances of appropriations previously granted be reappropriated.

The committee recommends a total appropriation of \$7,208,401,400 together with the unexpended balances. The committee's recommendation represents a 5-percent reduction under the amounts agreed to in the House. The amount recommended by the committee is \$274,126,390 under the House bill and \$319,126,390 under the budget estimate.

ASSISTANCE TO SPAIN

The committee recommends an appropriation of \$100,000,000 for economic, technical, and military assistance to Spain. The following new paragraph has been inserted in the bill:

Assistance to Spain: For economic, technical, and military assistance, in the discretion of the President under the general objectives set forth in the declaration of policy contained in the titles of the Economic Cooperation Act of 1948 and the Mutual Security Act of 1951, for Spain, \$100,000,000.

MOROCCAN TREATY VIOLATIONS

The committee recommends to the Senate that the following provision be included in the bill:

Provided, That after December 1, 1951, no funds herein appropriated shall be made available to any nation of which a dependent area fails in the opinion of the President to comply with any treaty to which the United States and such dependent area are parties

Moroccan treaty violations have been repeatedly brought to the attention of this committee. This amendment is intended to require Morocco to the full extent guaranteed by treaties ratified by the Senate and specifically excluding the possibility that such treaties may have been altered by acts or agreements of the Department of State, to accord American citizens and trade identical treatment with those of France, to cease all attempts to create or maintain cartels or other monopolies forbidden by treaty, to follow treaty provisions in the collection and assessment of taxes and customs, and to reimburse excess amounts collected from United States citizens, in violation of treaties.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1951 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1952

Item	Appropriations, 1951	Estimates, 1952	Recommended in House bill for 1952	Recommended by Senate com- mittee, 1952	Senate bill compared with—		
					1951 appropri- ations	1952 estimate	1952 House bill
MILITARY ASSISTANCE							
Title I.....	\$4, 504, 000, 000	¹ \$5, 072, 476, 271	¹ \$5, 072, 476, 271	¹ \$4, 818, 852, 457	+\$314, 852, 457	—\$253, 623, 814	—\$253, 623, 814
Title II.....	324, 500, 000	396, 250, 000	396, 250, 000	376, 437, 500	+51, 937, 500	—19, 812, 500	—19, 812, 500
Title III.....	394, 000, 000	535, 250, 000	535, 250, 000	508, 487, 500	+114, 487, 500	—26, 762, 500	—26, 762, 500
Title IV.....		38, 150, 000	38, 150, 000	36, 242, 500	+36, 242, 500	—1, 907, 500	—1, 907, 500
Total, military assistance.....	5, 222, 500, 000	¹ 6, 042, 126, 271	¹ 6, 042, 126, 271	5, 740, 019, 957	+517, 519, 957	—302, 106, 314	—302, 106, 314
ECONOMIC ASSISTANCE							
Title I.....	2, 250, 000, 000	1, 022, 000, 000	1, 022, 000, 000	970, 900, 000	—1, 279, 100, 000	—51, 100, 000	—51, 100, 000
Title II.....	27, 450, 000	160, 000, 000	160, 000, 000	152, 000, 000	+124, 550, 000	—8, 000, 000	—8, 000, 000
Title III.....	90, 000, 000	282, 155, 866	237, 155, 866	225, 298, 073	+135, 298, 073	—56, 857, 793	—11, 857, 793
Title IV.....	² 34, 500, 000	21, 245, 653	21, 245, 653	20, 183, 370	—14, 316, 630	—1, 062, 283	—1, 062, 283
Total, economic assistance.....	² 2, 401, 950, 000	1, 485, 401, 519	1, 440, 401, 519	1, 368, 381, 443	—1, 033, 568, 557	—117, 020, 076	—72, 020, 076
Assistance to Spain.....	(62, 500, 000)			100, 000, 000	+100, 000, 000	+100, 000, 000	+100, 000, 000
Total.....	7, 624, 450, 000	¹ 7, 527, 527, 790	¹ 7, 482, 527, 790	¹ 7, 208, 401, 400	—416, 048, 600	—319, 126, 390	—274, 126, 390

¹ Includes \$44,476,271 for payment of obligations incurred under prior contract authority.
² Excludes \$1,000,000 in contract authority made available by Public Law 759, 81st Cong.; and includes all funds appropriated for international development.

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and 16
Together

George C. Marshall Foundation, Lexington, Virginia

EMERGENCY FOREIGN AID

HEARINGS

COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES

SEVENTH CONGRESS

FIRST SESSION

PROCESSED FOR AID TO PROMOTE WORLD PEACE
AND THE GENERAL WELFARE, NATIONAL
INTERESTS AND COMMON POLICY OF
THE UNITED STATES BY HEARING
INFORM AND TO OBTAIN
POSITIONS CONCERNING

CONVENTIONS OF 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025

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HEARINGS

EMERGENCY FOREIGN AID

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