"If the administration program of huge military and relief expenditure is continued, it means the economic collapse of this Nation, and with it, the western world.

"The American people have had far too much of our squandering internationalists, who have diminished the resources of the country by scattering our wealth and our goods to unappreciative and ungrateful nations of the world, without any conditions of behavior attached to the gifts."

Savings: Amount unspecified.

Source: Mr. Malone, Senator from Nevada, Congressional Record, February 5, 1951, p. 994.

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"Why have we two departments of Government, the EOA and the State Department, doing substantially the same thing? Each one of them is spending enormous millions of dollars to run Germany, and then there is the military, the third one, and they spend a great deal of money along various lines. Why does it take three departments of Government over there, and why is the State Department in it at all, so far as the occupation is concerned? I thought the State Department dealt with governmental affairs, like the making of treaties, and contracts with other governments and things of that nature, but how in the name of heaven it requires three activities of Government, doing substantially the same thing, is just a matter that I cannot understand..."

Waste: Amount unspecified.

Source: Mr. McKellar, Senator from Tennessee, in Hearings before the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Supplemental Appropriations for 1952, p. 246.

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"...I am very sure that vast sums of money can be saved. I see no reason, for instance, why we should have in Paris a staff of several hundred people operating under Ambassador Katz and several hundred people in the same city operating under Ambassador Bruce.

"Senator Dworshak. Why is that situation tolerated?

"Secretary Sawyer. Because we have EOA set up as a separate agency now."
"...My feeling is that if appropriations aggregating $107,000,000 for 1952 are to come before the Senate, we had better make cuts that will include the foreign aid programs. To me it seems a sad commentary upon the membership of the United States Senate that we are giving such grave consideration to reductions in vital programs at home, while billions of dollars continue to flow unchecked to projects overseas. I am not discussing the merits of those projects. If we are to make cuts in reclamation and similar projects in our country, we should begin by making reductions in funds given to foreign countries for such purposes.

"In fact, I think we should cut foreign projects entirely before one essential project in the United States of America should suffer a reduction."

Savings: Amount unspecified.

Source: Mr. Wherry, Senator from Nebraska, Congressional Record, July 25, 1951, p. 9095.

"...this amendment is directed solely at the administrative expenditure in this program.

"It is designed to take $20,000,000 out of the total requested for that purpose and to deduct that $20,000,000 from the over-all total carried by the bill."

"...I have before me a table which shows for the fiscal years 1950, 1951, and 1952 the dollar cost for administrative expenditures for the Defense Department, for the ECA, or MSA, as the case may be, for the State Department, and so on."
"It shows an aggregate requested in 1952 of $76,675,000 compared with actual obligations of $52,205,337 in fiscal 1951 and of $24,610,644 in 1950.

"That is an increase of about 40 percent in the dollar request for fiscal 1952 as compared with 1951.

"If we look at the number of personnel employed in those 3 years we find that there is requested a total of something like 114,425 people for fiscal 1952 as compared with 103,479 for fiscal 1951 and 4,632 for fiscal 1950. These figures also reflect an increase of 40 percent, from 1951 to 1952, in addition to the military personnel which it is contemplated will be increased from 1,553 to 3,051 in 1951, or almost 100 percent.

"If by way of comparison you look at the overall cost of the military and economic programs in those years, we find the overall figure of $7,482,000,000 for the fiscal year 1952 as compared with $7,213,000,000 for the fiscal year 1951, and $5,195,000,000 for the fiscal year 1950, the increase from 1951 to 1952 amounting to less than 3 percent.

"In other words, for an overall increase in administrative programs amounting to 3 percent as between the fiscal years 1951 and 1952 we are apparently asked for an increase, both in dollars and in personnel, of about 40 percent.

"Moreover, the ECA staff overseas has been excessive, in my judgment, for several years.

"The amendment which I suggest would reduce the request of $76,000,000 to $56,000,000 providing about $5,000,000 more than was provided in the fiscal year 1951, or an increase of about 10 percent."

Savings: $20,000,000.

Source: Mr. Wiggleworth, Representative from Massachusetts, Congressional Record, October 11, 1951, pp. 13289-13290.

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FUNDS APPROPRIATED TO THE PRESIDENT

"I think you will find, Senator, that the estimated expenditure for foreign aid, including military, is about $7 billion for 1952... And I am quite sure you can knock $2 billion off that without a great deal of difficulty and without any harm, and possibly a great deal of good,"
Savings: $2,000,000,000.

Source: Mr. Alvord, Chairman, Committee on Federal Finance, Chamber of Commerce of the United States, in Hearings before the Committee on Finance, Senate, 82d Cong., 1st Sess., Revenue Act of 1951, Part 3, p. 1452.

* * *

"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 $36,000,000 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."

Savings: Amount unspecified.


* * *
"...the proponents of the bill have stated rather definitely that every cent of this money must be appropriated or the whole program is lost. On the other extreme, there are those who have advocated absolutely no aid and absolutely no military help...Surely there is a place in between where we can find the point that is best for the national interest."

"...the $7,800,000,000 we are sending overseas in this bill represents 1,870,000 man-years of work. That is exactly what we are exporting. We are exporting the work of American labor which is taken from our workers in the form of taxation to be exported in this manner. In a sense, this often represents involuntary servitude, or slavery, because there are many in my district who do not voluntarily contribute either their hours of work or their dollars to the degree required in this bill."

"...This matter is particularly in the public mind since the $7,600,000,000 tax increase passed by the House is more than swallowed up by this one bill alone. This bill will cost my State of Indiana about $20,800,000 and will cost my district over $3,400,-

000, as it stands."

...I have spent 5 years in the military service. I have been overseas since the European aid program was in operation and never once have I seen a military operation or an ECA operation that could not have been cut 10 percent in funds with resulting improvement in the efficiency of the operation.

"Unfortunately, in this bill, we are not dealing in tanks and guns and planes. I wish we were, because I would feel more secure if the veil of military secrecy could be lifted so we knew what we bought. We are dealing in administration too. We are dealing in personnel. We are dealing in red tape. I cannot believe that we cannot effect economies in these programs nor can I accept the committee figures as sacred, inspired, or inviolate."

Savings: Amount unspecified.

Source: Mr. Brownson, Representative from Indiana, Congressional Record, August 17, 1951, pp. 10474, 10475.

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"...Such detail as is available in the budget document indicates that military assistance in the current year may be estimated at up to $1,000,000,000, leaving up to nearly $4,000,000,000 in foreign economic assistance. The budget detail reveals only
$2,500,000,000 for military assistance in the estimates for the coming fiscal year, leaving up to $5,000,000,000 in foreign aid and other expenditures connected with foreign relations not specifically earmarked for military assistance. The budget message said the preponderance of aid in Europe will be military, but economic aid, through point 4 and other programs, around the rest of the world, with emphasis on Asia, Near East, and South America was discussed at length. The foreign economic assistance policy was originally adopted by this country on the assumption that it would expire next year. Military assistance is already overlapping economic aid in most recipient areas. Foreign economic aid in the new budget should not exceed commitments already made. Pending clarification and more specific estimates on expenditures for economic foreign aid I suggest reductions in economic assistance expenditures of up to $3.5 billion."

Savings: $3,500,000,000.

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 955.

* * *

"In foreign economic recovery we have spent $5,000,000,000 a year. This should and can be substantially reduced, especially as we are now undertaking to arm nations in Europe."

Savings: Amount unspecified.

Source: Mr. Byrd, Senator from Virginia, Congressional Record, June 27, 1951, p. A4096.

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"Since World War II we have authorized $37.5 billion for foreign economic assistance. At present we are building up another multi-billion dollar program for foreign military assistance. Foreign Economic Assistance expenditures in the past five years have equaled expenditures for strictly domestic-civilian activities at home. This year's budget contemplated foreign economic assistance expenditures totaling $4 billion. Military assistance is overlapping economic assistance at many points. Economic Assistance has been withdrawn from England. The Economic Assistance program is scheduled to expire a year hence. The new budget should provide for no new commitments. Expenditures should be confined to commitments already made. The reduction, by comparison with this year's estimate, should be $3.5 billion dollars."
Savings: $3,500,000,000.

Source: Letter from Mr. Harry F. Byrd, Senator from Virginia, to Mr. Harry S. Truman, President of the United States, December 22, 1950.

"...It is proposed to spend almost $2,000,000,000 for economic aid and point 4 aid under this bill to help almost every country in the world. Admittedly there are many backward countries that need our economic assistance. Admittedly there are many backward countries that need our technical advice. But when we are confronted with a military exigency, that is, in my opinion, the most dangerous that has confronted this country since the American Revolution, whether it is economically feasible to go forward as in normal times with programs to assist almost every area in the world seems questionable. I am very doubtful of the wisdom of such a course."

Savings: Amount unspecified.

Source: Mr. Chiperfield, Representative from Illinois, Congressional Record, August 17, 1951, p. 10490.

"This bill has in it $840,000,000 of economic aid to compensate for the extra military effort of these countries. That means the United States is assuming most of the additional burden. It is certainly questionable whether we should even go this far, but rather make them assume the additional defense effort..."

"The $7.1 billion provided in the 1952 Budget for foreign aid is an increase of $2.6 billion over the 1951 figure. In view of the great recovery in Western European production, and the notable improvement of the world's balance of payments with the United States, there is a serious question whether so large an increase in our aid is required. If the Western European nations are to make their maximum contribution to mutual defense, they will still need assistance from the United States, But in order to avoid excessive burdens upon the United States we must be careful to recognize not only the increasing need for defense assistance but also the dwindling need for recovery assistance."
Savings: Amount unspecified.


* * *

"...A perfect illustration of what confronts you and what is in this bill [Mutual Security Appropriation Bill] is that matter of the UNKRA appropriation, United Nations Korea Relief. This agency came in there and asked originally for $69,000,000 plus $50,000,000;...for an agency that does not even come into operation until the military phase of the Korean war is over. Now that has not even happened yet. The House Committee on Foreign Affairs, in its wisdom, reduced that amount to $11,000,000 but it did not touch the carry-over. The Senate jacked it up to $45,000,000...Well, our distinguished chairman from Virginia, with his majority members, made the great and noble gesture of striking out the $45,000,000. That still leaves a reappraisal you are asked to make in the face of all the conflicting pressures for appropriations, of $50,000,000 to sit in somebody's pocket, presumably the President's pocket, or a United Nations agency pocket, until such time, in an indefinite future, peace comes to Korea and the work of permanent rehabilitations can get under way. Now, there is an item of $50,000,000 that might just as well be stricken from the bill."

* * *

"Then we have naval appropriations, for new naval procurement for the NATO nations. Yet there is not a harbor or a river in the United States that is not jammed from bank to bank with naval vessels resulting from the last war, all of which would be available 'if'. That was the answer when the naval witnesses were asked, 'Why cannot you use those?' The answer was, first, that there must be a certificate of the Chief of Naval Operations that the vessels are surplus and not needed in the American naval mobilization program, and second, that we need new authorizing legislation. So they come in with a large program of new construction, rather than using existing ships.

"I say that by striking out a substantial part of that unexpended carry-over balance we might exert pressure upon our administration to do what is necessary, to make some of the existing naval construction available to help out with vessels needed in the Mediterranean and North Atlantic, because that is apparently what they want."
Savings: At least $50,000,000.
Source: Mr. Coudert, Representative from New York, Congressional Record, October 11, 1951, pp. 13276-13277.

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"...that this amendment does is to cut the figure of $5,000,-
000,000 by the amount of five-hundred-and sixty-six million-and-some odd-thousand dollars, which is a carry-over balance to the year 1952. The reason for eliminating it is...that this figure was not publicized as being in the appropriations for the mutual-security program. As I understand it, after listening to the debate on the floor, there was no explanation made in the committee hearings as to just what this money would be used for. As a matter of fact, these are unallocated funds to be added on to the $56,000,000,000 that would be there already.

"Aside from the actual funds that are available in this particular bill, there are at least $1,000,000,000 still unspent under the previous military-aid program, which are available for these foreign countries. On top of that, we have additional counterpart funds which are still unallocated and are available for various purposes in these European countries amounting to $2,400,000,000.... This is just an additional $5,000,000,000 tacked on to the $56,000,000,-
000 bill that we thought covered the whole program for our military production in this country."

Savings: $566,253,233.
Source: Mr. Curtis, Representative from Missouri, Congressional Record, October 11, 1951, p. 13286.

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"I think the ECA request could be cut $2,000,000,000 without jeopardizing the military program, and to the great benefit of the American taxpayer who is footing the bill for all this global spending under the ECA program, which includes everything from free farm machinery to hydroelectric dams, powerhouses, and canals."

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"With over-all European production already 139 percent of prewar levels, with more than $11,000,000,000 ECA money already contributed since April 1948, with military aid of more than $6,000,000,-
000 carried in this bill for ECA countries, why is it not proper to lighten the burden on our own countrymen, when it will not hinder the military program?"
Savings: $2,000,000,000,000.

Source: Mr. Davis, Representative from Georgia, Congressional Record, August 17, 1951, pp. 10445, 10446.

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"Inasmuch as the preponderance of military allocations in the bill are devoted to Europe, it occurs to me that...$500,000,000 should be taken from the amounts which have been set apart for European economic aid."

...I believe that if anyone goes to the trouble of examining the supporting data in connection with the bill he will discover that there is still a good-sized amount of money left in the bill available for expenditure over and above that which is included in the bill, namely, some unexpended balances.

"I notice in the staff report and statistical table that $718,000,000 is available, which has neither been committed nor obligated. That amount is available for economic aid...I notice also in the breakdown table that there is available, from prior appropriations, $1,500,000,000, or a little more....Needless to say, there is unexpended money from prior appropriations, not committed, and not obligated, which is available for expenditure in 1952. I believe I can say that the fund will build up into 1952."

...we have come to the point...where we must think seriously about the liquidation of this whole undertaking."

"From the report I understand that the ECA indicates a very substantial gain in agricultural production and industrial production in the recipient countries. If that be true, it seems to me that the needs of ECA for that purpose should diminish in direct ratio; and it occurs to me that if we eliminate $500,000,000, the residue, together with the unexpended balances, will be adequate for all purposes."

Savings: $500,000,000.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, August 31, 1951, pp. 11093, 11094.

* * *
"Subsection (1) on page 2 of title I of the Mutual Security Act of 1951, H.R. 51137 is the military assistance for Europe. In the bill at present the figure is $5,028,000,000, as you will note in line 22. The figure in my amendment will reduce the $5,028,000,000 by $200,000,000 to $4,828,000,000.

"Then if you turn to page 3 on line 16, you will see subsection 2, which refers to economic assistance under title I, which item now provides for $1,335,000,000. The figure of my amendment would be $1,035,000,000, thereby reducing it $300,000,000.

"The total effect of my amendment upon title I is a $500,000,000 reduction. The question then comes up, where can that amount come out? My amendment leaves it pretty much up to the President to determine where the cut can best come, because if you will take subsection B on page 4, you will find that not to exceed 5 percent of the total appropriations granted in subsections (1) and (2) can be switched back and forth between the two subsections.

"It also should be remembered that the economic assistance includes assistance to further military production. So that when we come to a definition, we find that there is a very fine dividing line between what is actually military assistance, and what becomes economic assistance under this legislation. For example, if we are giving the recipient countries machinery for fabricating the future plants for arms production, the query is: Is that military assistance or is that economic assistance? If the United States gives these countries a machine which is a die, or a tool grinder, or shaping machine, the question is: If it is used now to produce arms under this program, might this same item not likewise be general economic assistance to such country if it can be used later, after this program is completed in the contemplated 36 months?

"In addition to the matter of flexibility and difficulty of definition, you will find there is an item under military assistance that is on page 65 of the report of the committee, table 12, illustrative breakdown of 1952 mutual security program, military assistance subsection (b), which shows $53,000,000 in the present bill for administrative expenses for the $5,000,000 military-assistance item under title 1.

"Under the same table 12, economic assistance under ECA act section (2), subsection (f), you will find there is an item of $19,000,000 for administrative expenses also. So that if you go through the bill, you will find that there are many places whereby good business methods there can be a further cutting down on overload and a cutting to the minimum of further indirect expenses.

"...On the $1,335,000,000 economic assistance, a $300,000,000 reduction just means they will have to take a little bit more of this
austerity program that our taxpayers in this country are having to take today. There is no doubt these countries have now completed their postwar recovery and have exceeded our hopes of success under the Marshall plan proposal. Many of them are spending much less in proportion of their total annual productions for defense than we are, and in some of the recipient countries, the tax and debt burden is now less proportionately than ours."

Savings: $500,000,000.

Source: Mr. Fulton, Representative from Pennsylvania, Congressional Record, August 16, 1951, p. 10403.

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"Senator Walter F. George, Democrat of Georgia, called today for a $2,500,000,000 cut in the Administration's $8,500,000,000 foreign aid program to ease the job of raising taxes enough to keep the Government out of the red."

"Asked where Congress could make the savings he suggested, Senator George said it should cut at least $2,500,000,000, possibly $3,000,000,000 from the foreign military and economic aid program."

"The Senator said the cut should come 'mainly' from economic aid for which the White House has asked $2,000,000,000. Thus he would leave most of the proposed military aid intact."

"Senator George insisted the savings could be made by stopping 'extravagant spending' and without jeopardizing the defense program...."

Savings: $2,500,000,000 - $3,000,000,000.

Source: Mr. Walter F. George, Senator from Georgia, as reported in New York Times, July 8, 1951, p. 22.

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"...Reduce the Economic Aid to Foreign Countries appropriation by $1,000,000,000 inasmuch as the Economic Aid to Foreign Countries in 1952 will place the emphasis upon building up the defense potential of our allies, rather than their civilian economy."

Savings: $1,000,000,000.

Source: Mr. Robert C. Hendrickson, Senator from New Jersey, March 31, 1951, p. 3.
"Returning now to the $17,000,000,000 for the military security program, which is the name given by the President to our military and economic assistance activities throughout the world, what can we tell the American people about the manner in which it is being and will be administered? What do we, as responsible legislators, know about the manner in which these huge sums of money are to be used? For if the truth be told—and it must be told—we are required to rely upon two major sources of information: (1) The executive branch of the Government, which formulates these programs and tells us as little or as much as it cares to disclose; and (2) information media, such as newspapers, periodicals, books, radio and television.

"Of course, there are those among us who may have such additional sources of information as interested groups, confidential informants, and reliable friends within the executive branch. But is this the way to obtain the information necessary to enable us to formulate the considered judgment which is so vital if we are to carry out our obligations to the American people?"

Savings: Amount unspecified.

Source: Mr. Ives, Senator from New York, in Hearings before the Subcommittee on Reorganization of the Committee on Expenditures in the Executive Departments, Senate, 82d Cong., 1st Sess., Administration of Overseas Activities of the Government, p. 43.

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"I shall support the huge appropriation in this bill for military assistance to the Atlantic Pact nations and to other nations who show a willingness and the ability to fight communism, but I do not, and I cannot, support any further economic aid to any nation... We can say to those same nations that we will materially assist them in the burden of providing war weapons to defend themselves in the fight against communism, but we cannot assume forever the burden of keeping their economic system healthy."

Savings: Amount unspecified.

Source: Mr. Jones, Representative from North Carolina, Congressional Record, August 16, 1951, p. 10390.

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"...I do not object to giving them economic assistance, but I see no point in giving them countries of Central and South America $40,000,000 of military assistance when they are countries which are not in the line of the Soviet advance, especially when it has already been said by the committee that the great need in Western Europe is for military equipment. We need equipment ourselves. What is the use of tying up $40,000,000 worth of military equipment in Central and South America?...it might be even feasible to cut it out completely, but there may be some use for it so my amendment proposes to cut the military assistance from $40,000,000 to $20,000,000..."

Savings: $20,000,000.

Source: Mr. Kennedy, Representative from Massachusetts, Congressional Record, August 17, 1951, p. 10497.

"In addition to supporting their own Government, our people are also called upon to give tremendous sums of dollars to support our activities in foreign fields. I am very much afraid that some of these programs are not making a fair return on the investment. The attitude in some sections of the Government is to meet every problem that arises with more and more dollars. There are some who become very irritated if the Congress questions the logic in pouring out more and more money to accomplish certain objectives, when the facts are plain that nothing will be accomplished."

Savings: Amount unspecified.

Source: Mr. McCarran, Senator from Nevada, in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Departments of State, Justice, Commerce and the Judiciary Appropriations for 1952, Part I, p. 2.

"...between January of 1940 and January 1951 this New Deal administration has voted nearly $103,000,000,000 for foreign aid. In addition to this, there has been $12,000,000,000 in so-called loans--
do not expect anything back—and approximately $1,500,000,000 in international credits. This does not include the billions being spent for defense purposes in foreign countries.

"The President now requests an additional $8,500,000,000 to be used for military and economic aid to foreign countries. This will bring the grand total to about $124,000,000,000 which is in addition to our war and defense costs. It represents nearly half of our national debt.

"I have supported measures to send food, clothing and medicine to foreign countries where it was needed. I am convinced, however, that we are being entirely too liberal with the taxpayers' money in supporting 38 different systems of squandering their money all over the world."

Savings: Amount unspecified.

Source: Mr. Miller, Representative from Nebraska, Congressional Record, July 9, 1951, p. A4397.

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"There is something rotten in the state of Denmark by Helsingoeer, in the shadow of Hamlet's castle. Here some of your tax dollars are going into a very special ECA project—a floating monument to European economic cooperation. This monument is a sleek ocean-going ferry. It will traipse the English Channel between Dunkirk and Dover—helping to bridge the dollar gap."

"Of course, that's only one drop from the Marshall plan bucket. But there are so many drops."

"In a forgotten Italian village, for another example, an irrigation dream is becoming a reality—thanks to the United States Treasury's bottomless pit."

"In Iceland, 4,660,000 of your tax dollars are going for a fertilizer plant. This, presumably, will hold the forces of Communism at bay in Iceland."
"In Austria, we are footing the bill for the ski enthusiasts. The E-C-A has forked over a hundred and twenty million schillings for cable cars, ski-lifts, and new hotels. Something to reflect on the next time you watch the ski-jumpers in the newsreels.

"France is getting back on her feet too. Your tax money has helped pay for a big new international skating rink at Chamonix, and 75 other winter sport resorts amid the edelweiss of the Alps."

"We're not overlooking the major industries. Take lace, for example.

"Take Le Puy lace, made in Le Puy en Velay in Auvergne--famous for eight centuries for its handmade lace.

"Know what your tax money has done for Le Puy lace? It has helped 72 companies. Business is so good 25 percent of the production is being exported, including embroidery for lingerie, tablecloths and bedcovers. No Communists behind the Lace Curtain!

"In Africa, the American Taxpayer is again the power behind the gun--the spray gun, aimed at swarms of varacious locusts. We've sent a thousands trucks into the great insect battle of Tanganyika--according to latest reports from where our caravan has rested.

"Greece is getting a nice slice of what has been withheld from your pay. A million dollars is earmarked for tourist accommodations, a half million more for restoring Greek works of art and the country's mineral springs. These waters are great for kidney, liver, and stomach ailments.

"Well, no one says the Marshall Plan is perfect. I think it's apparent from these examples of Marshall Plan spending that no one should. We endorse the principle of the Marshall Plan--we do not always endorse its application. It appears we've made some questionable investments overseas. It appears we've also made a few questionable ones at home."

"Source: Broadcast by Mr. Robert Montgomery, over American Broadcasting Company Network, Thursday, February 1, 1951."

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"On international affairs and finance the January budget had estimated expenditures at $4.7 billion this fiscal year. It was already apparent by June that this figure was excessive in light of the recovery in foreign dollar-earning capacity, and diminishing need for Marshall plan assistance. The accelerated build-up in foreign gold and dollar reserves since June calls for a further downward revision. At the same
time the pressure of world events has shifted the emphasis of foreign aid from economic to military. As Dr. Richard M. Bissell, Jr., Deputy ECA Administrator, stated... "This military aid, and the continuation of assistance to a few of the countries in which recovery has lagged, can all be accomplished with vastly smaller sums than the Marshall Plan required." This generally corresponds to the findings of Mr. Gordon Gray in his report to the President on foreign economic policies. Neither Mr. Bissell nor Mr. Gray mentioned figures but a reduction of $2 billion would seem possible and desirable at this writing."

Savings: $2,000,000,000.


* * *

"Resolved, That the National Society, Women Descendants of the Ancient and Honorable Artillery Company, urge upon Congress the reduction of the Federal budget by reducing strictly nondefense spending to include... freezing foreign economic assistance expenditures, as a necessary measure for national security."

Savings: Amount unspecified.


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"...in the period from April 3, 1948, through September 30, 1950, more than $500,000,000 picked from the pockets of the American taxpayers has been spent by the European Cooperation Administration to purchase for European countries critical and strategic nonferrous metals which now are under such stringent controls that the American consumers and businessmen who normally use these metals find that they will have to either do without or find substitutes for the most part.

"Besides the shipments already made to September 30, 1950, additional millions of procurements have been authorized by the managers of our give away program under the Marshall plan."

"...in behalf of the American consumers and the small businessmen of this country, I once again rise to protest against this continuing abuse of the American people, by this administration...."
Savings: More than $500,000,000.
Source: Mr. Reed, Representative from New York, Congressional Record, March 5, 1951, p. A1188.

"First, President Truman and Secretary of State Acheson have asked for $8,600,000,000 for economic and military aid for Europe. Of this amount $2,600,000,000 is for so-called economic aid only. I say that at least $4,000,000,000 of this $8,600,000,000 can be cut..."

Savings: $4,000,000,000.
Source: Mr. Reed, Representative from New York, Congressional Record, June 21, 1951, p. 7055.

"It is ridiculous for the United States to be spending billions of dollars in foreign aid which is being transformed or exchanged for military assistance to Russia through exports from certain foreign countries. Russia receives military assistance that is passed on to Communist China, which in turn is used for the destruction of the lives of American boys."

Last year our Government spent $4,500,000,000 in military and economic assistance to foreign countries. The President's request calls for $8,500,000,000 more for military and economic assistance to foreign countries.

"...it is ridiculous to furnish financial assistance...in an amount almost equivalent to the President's requested increase in taxes without sufficient control of the manner in which such funds are to be used by the countries who are recipients of these funds."

Savings: Amount unspecified.
Source: Mr. Rees, Representative from Kansas, Congressional Record, August 2, 1951, pp. 9594, 9595.

"...this amendment reduces the item of $237,155,866 by $32,600,000. The intent of this amendment is to reduce the amount appropriated to India. Under this bill /Mutual Security Act/ give them $65,000,000 of
which $54,500,000 is for India and $11,000,000 is for Pakistan... I offer the amendment because I think you have gone clear out of line in increasing funds for these countries.

"Let us look at the situation for a moment. In 1950 you gave India $20,000 not millions. In 1951 the allocation was $193,000. In this bill you go all out for $54,500,000. Not only that—the United States of America let India have $90,000,000 in grain last year. With respect to Pakistan, you said she should have $11,000 in 1950. Today you want to give her $10,700,000...I am suggesting that we reduce the amount by thirty-two and a half million dollars..."

Savings: $32,600,000.

Source: Mr. Rees, Representative from Kansas, Congressional Record, October 11, 1951, p. 13293.

* * *

"From talking with constituents during my trips home and from the letters received, there is no question at all in my mind that greatest majority of constituents in the Eleventh Congressional District are opposed to further foreign aid and it is my duty to express this opposition by voting against this bill."

"...the...sense of the community—of my particular community—realizes that the Marshall plan foreign-aid idea which was sold to the American people as a temporary aid is now being looked upon as a permanent hand-out.

"Recently statistics have come out of Europe showing that practically all of the majority of the European countries have reached an industrial production level of from 110 to 150 percent of their 1939 production and certainly we cannot justify further aid with the excuse of postwar recovery..."

"...Much of the Marshall-plan money was dissipated through faulty administration and the failure of foreign governments to face their problems realistically. Nor did communism, a nonpurchasable ideology, wither on the vine..."

Savings: Amount unspecified.

Source: Mr. Sheean, Representative from Illinois, Congressional Record, August 17, 1951, p. 10461.

* * *
"...the purpose of my amendment is to cut the economic aid conveyed in this bill $672,000,000...on the 30th of June this year there were unexpended funds in the ECA account of $7,698,000,000. I suggest to you that in view of that fact certainly a small cut out of $672,000,000 leaves a substantial amount in that account."

"I submit that in the matter of cutting ECA funds, the countries of Europe are producing today 14 percent more than they did in prewar. Their export trade is 157 percent over what it was in 1938. I suggest that that is sufficient evidence to indicate that those countries in Europe can produce without all of this money for ECA aid..."

Savings: $672,000,000.

Source: Mr. Smith, Representative from Wisconsin, Congressional Record, August 17, 1951, p. 10457.

* * *

"I have heretofore voted for the military assistance operations. I am satisfied that every single item in here is too large...I frankly do not believe that the proper effort is being put forth by our allies abroad.

"They have a steel production more than 50 percent as big as our own. We should be able to get more cooperation out of them and should not have to furnish so many things. It should be possible for them to make all of the trucks that they would need, and if they are not able to make the important types of ammunition, and munitions, they should be able to supply steel to us, that we might make them. This would ease the economic assistance item because it would provide employment for their people."

Savings: Amount unspecified.

Source: Mr. Tabor, Representative from New York, Congressional Record, October 11, 1951, p. 13284.

* * *

"...this amendment is directed to funds proposed to be made available to the United Nations Korean Reconstruction Agency."
"The purpose of the amendment is to reduce those funds from $50,000,000 to $10,000,000."

"It is crystal clear from the record that this agency is not in a position to carry out its functions at this time, and that it cannot carry out those functions until it takes over from the military.

"It does maintain a staff of 73 persons, which is said to be engaged in planning.

"During the 6-month period ending June 30, 1951, the total amount expended was just under $383,000, or at the rate of $766,000 for a full year.

"My amendment does not, as it logically might, eliminate the whole of the reappropriation of $50,000,000. On the contrary, I am suggesting that we eliminate only $40,000,000, leaving $10,000,000 on hand against any possible emergency."

Savings: $40,000,000.

Source: Mr. Wigglesworth, Representative from Massachusetts, Congressional Record, October 11, 1951, p. 13295.

** * * * *

INDEPENDENT OFFICES, EXPORT-IMPORT BANK OF WASHINGTON

"The President is asking for a $1,000,000,000 increase in the lending authority of the Export-Import Bank and a $1,000,000,000 increase in the lending authority of the International Bank, at a time when we should be conserving every single item. Foreign loans should be used only in places where the war effort of the United States will be promoted. We should get over the idea of lending money just to help foreign countries when it will not contribute directly to our defense. The question of doing good in the world will have to be postponed if we are to have the resources to support our war effort."

"...Foreign relief should be limited to what is absolutely necessary to keep the people in other countries together and to what we can afford to pay out."

Savings: Amount unspecified.

Source: Mr. Taber, Representative from New York, Congressional Record, January 23, 1951, p. A338.

** * * * *
DEPARTMENT OF DEFENSE, DEPARTMENT OF THE ARMY, CIVIL FUNCTIONS

"This program of orientation and exchange of foreign persons and construction of houses, that is all fine in the future, but right now it seems like we have to cut out a few of those things; and we have got to build the houses essential to take care of our own employees, both civilian and military. We know we have to do that, and we should determine the absolute minimum requirements in that respect. And we should go right down the line and see how much we should spend now to build up our military force and our strategic position there/Ryukyus/ as far as hospitals are concerned, and other general facilities, and warehouses."

Savings: Amount unspecified.

Social Security, Welfare and Health
SOCIAL SECURITY, WELFARE, AND HEALTH

GENERAL

"...With respect to the social welfare, health and security function and programs; most of the reduction proposals would be in public assistance, and institutional construction grants to the States. The contributory social security system, of course, would not be affected. The original purpose of other public assistance grants was to fill gaps in the social security program. Social security insurance has been broadened this year. The war effort will require the labor of all who are able to work. Scarcity of materials automatically will curtail or halt nondefense construction. After the reductions suggested in this item it would still be a quarter of a billion dollars higher than it was in fiscal year 1946 when World War II ended."

Savings: $1,075,000,000 (as derived from table on next page).

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 956.
Reductions in strictly domestic civilian expenditures by programs within major functions

<table>
<thead>
<tr>
<th>Functions and categories</th>
<th>1945 Actual</th>
<th>1950 Actual</th>
<th>1951 estimate</th>
<th>Truman request 1952</th>
<th>Byrd Proposal 1952</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Social welfare, Health and Security</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Public assistance (FSA)</td>
<td>$436</td>
<td>$1,125</td>
<td>$1,282</td>
<td>$1,302</td>
<td>$1,440</td>
</tr>
<tr>
<td>Aid to special groups:</td>
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<tr>
<td>2. Vocational rehabilitation (FSA)</td>
<td>--</td>
<td>26</td>
<td>22</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>3. School lunch program (Agriculture Department)</td>
<td>50</td>
<td>83</td>
<td>83</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>4. Indian welfare and other (Interior)</td>
<td>29</td>
<td>41</td>
<td>43</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>5. Other (FSA)</td>
<td>13</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td><strong>B. Retirement and dependents' insurance:</strong></td>
<td></td>
<td></td>
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<tr>
<td>6. Railroad Retirement Board</td>
<td>294</td>
<td>583</td>
<td>598</td>
<td>616</td>
<td>616</td>
</tr>
<tr>
<td>7. Federal Security Agency and other</td>
<td>24</td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>7</td>
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<tr>
<td>Promotion of Public Health (FSA and other):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8. Federal, State and local health services and medical education</td>
<td>179</td>
<td>212</td>
<td>219</td>
<td>380</td>
<td>225</td>
</tr>
<tr>
<td>9. Crime control and correction (Justice)</td>
<td>78</td>
<td>91</td>
<td>107</td>
<td>106</td>
<td>98</td>
</tr>
<tr>
<td>10. Accident compensation (Labor)</td>
<td>10</td>
<td>24</td>
<td>30</td>
<td>33</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total social welfare</strong></td>
<td>1,084</td>
<td>2,213</td>
<td>2,520</td>
<td>2,625</td>
<td>1,550</td>
</tr>
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</table>

"Otto A. Seyferth, Chamber of Commerce of the United States president...suggested the following specific cuts:...$1,000,000 less for welfare and public assistance..."

"High employment and high wage levels incident to a wartime economy should make it possible to reduce welfare programs by $1,000,000,000,' he asserted. 'Public assistance programs alone have risen by $1,000,000,000 since 1946. If these and other welfare programs were reduced even to the high 1949 levels, $1,000,000,000 could be saved.'

Savings: $1,000,000,000.

Source: Mr. Otto A. Seyferth, President, Chamber of Commerce of the United States, as reported in New York Times, January 11, 1951, p. 18.

RETIRED AND DEPENDENTS' INSURANCE

INDEPENDENT OFFICES, RAILROAD RETIREMENT BOARD

"...under the railroad retirement procedure, appropriation of the estimated receipts from railroad payroll taxes is paid in advance of tax collection, the budget for that year reflecting on the receipt side railroad payroll tax collections, and on the expenditure side an estimate of what these collections are expected to amount to plus interest for the year on this appropriation."

"...President Truman has recommended more than once that railroad payroll taxes be transferred to the fund as they are collected rather than in advance of collection, in order to correct the present indefensible practice whereby the Federal Government pays interest on money that it advances to the fund."

Savings: Amount unspecified.

<table>
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<tr>
<th>Item Proposal</th>
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<tbody>
<tr>
<td><strong>&quot;Social Security, Welfare, and Health&quot;</strong></td>
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<tr>
<td>Railroad retirement transfer: Unlike the OASI, where amounts equal to pay-roll tax receipts are put in the trust funds, a specific appropriation of the estimated receipts from railroad payroll taxes is paid in advance of tax collection. The fund thus collects interest on this advance payment. The estimate is often high. This excess is made up by reducing the appropriation the following year but the interest paid on the excess is never recovered.</td>
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<tr>
<td>Change the annual specific appropriation to a permanent indefinite appropriation. This now the case in 1952 budget.</td>
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<tr>
<td>Savings: $1,000,000 annually (as shown in table in source).</td>
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<th>Item Proposal</th>
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<tbody>
<tr>
<td><strong>&quot;Social Security, Welfare, and Health&quot;</strong></td>
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<tr>
<td>Railroad retirement military service credits: Public Law 111, 61st Cong., requires transfers of $33,000,000 annually until 1954 for military service credits of railroad-workers. The total amount is probably unnecessary because many workers will never become eligible and others will not need the military service credits.</td>
</tr>
<tr>
<td>Stop further payments or recapture past payments. Transfer funds as needed when claims mature.</td>
</tr>
<tr>
<td>Savings: $33,000,000 annually (as shown in table in source).</td>
</tr>
</tbody>
</table>
"...I feel there could be some savings in administration expenses. Applications could be processed through the railway organizations and thereby save some of so-called red tape. Burden against the fund should be lighter because of a lesser number of retired employees who had retired when the Retirement Act was enacted.

Savings: Amount unspecified.

Source: Mr. Rees, Representative from Kansas. Congressional Record, October 4, 1954, p. 12936.

* * * * *

PUBLIC ASSISTANCE

FEDERAL SECURITY AGENCY

<table>
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<tr>
<th>Item</th>
<th>Proposal</th>
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<tr>
<td>&quot;Social Security, Welfare, and Health&quot;</td>
<td>Two basic types of revision are possible:</td>
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<td>&quot;Public assistance: The Social Security Act of 1950 requires that the Federal Government pay 75 percent of first $20, 50 percent of next $10, 33-1/3 percent of next $5 for old-age assistance. Maximum Federal payments per individual are $50.&quot;</td>
<td>(1) Revision of financial participation:</td>
</tr>
<tr>
<td></td>
<td>(a) Drop the matching maximum per individual.</td>
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<td>(b) Change the formula to that of 1946-48 (2/3 of first $15 and 1/2 of balance to maximum of $45) or gradually to the 50-50 matching that prevailed before 1946.</td>
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<td>(2) Stricter definition of eligibility:</td>
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<td>(a) Deduct other income from Federal matching maximum. Now if recipient has $50 income and gets $50 assistance, Federal payment is $30.</td>
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<tr>
<td></td>
<td>(b) Provide no Federal matching for recipients of OASI, veterans' or other Government pension.</td>
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</table>

Revisions such as these need not change the payments to individuals if the States assume a larger share of the payments."
Savings: $100,000,000 annually (as shown in table in source).


* * *

"...$15 million...the Hoover Commission claims could be effected by cutting the costs of administering the OASI trust fund. This latter figure, however, is not reflected in Budget expenditures, but is shown separately under trust fund operations."

Savings: $15,000,000.


* * * * *

PROMOTION OF PUBLIC HEALTH

GENERAL

"Five big, and some 30 smaller, federal hospital systems are set up on a rigidly separate basis. They obtain funds and build hospitals with little knowledge of, and no regard for, the needs of each other. They compete among themselves, and with private hospitals, for desperately scarce physicians and nurses. They fail to utilize manpower fully and efficiently; in other words, they waste it. No one knows how many hospital beds the government maintains."

Waste: Amount unspecified.


* * *
"After 16 months of intensive study, 30 of the nation's outstanding medical experts submitted 1,000 pages of original research to the bipartisan Hoover Commission. This fact-packed document disclosed that federal medical services are:

"Un-organized, un-coordinated, un-supervised—without overall planning"

"Disastrously competitive and wasteful with tax dollars and scarce professional talent"

"No one in our $70 billion government has the responsibility for an overall plan. In fact, no one today knows exactly how many hospital beds the government has or how many patients are in them; no one knows how each community in our nation is equipped to handle present or potential hospital requirements.

"Federal hospitals are often constructed for other than medical considerations. A recently completed 100-bed VA hospital stands idle at Miles City, Mont., for lack of doctors in that area. As of today, some 5,000 badly needed VA beds are idle because of bureaucratic decisions contrary to medical advice."

Savings: Amount unspecified.

Source: Citizens Committee for The Hoover Report, Here's How We Can Get Better Federal Medical Services, May 1, 1951, pp. 3-4.

* * *

"The President is also proposing medical aid to be operated by a payroll tax by the Federal Government, a start toward socialized medicine and an effort to break down the morale of our civilian doctors. How much it would cost no one can tell."

"...the President, instead of promoting these socialistic and destructive measures and demands, should cooperate with the efforts that are being made to get rid of enormous expenditures."

Savings: Amount unspecified.

Source: Mr. Taber, Representative from New York, Congressional Record, January 23, 1951, p. A338.