

CONFIDENTIAL

U.S. OPINION ON EUROPEAN RECONSTRUCTION

Developments: October 23--November 5, 1947

Report No. 8

November 10, 1947

I. Press, Radio and Other Leadership Opinion

Following several weeks of grumbling at the Administration's handling of the European Recovery Program, commentators have widely acclaimed the President's call for a special session of Congress. Commentators have not, however, minimized the difficulties which they feel will arise at the special session as a result of the President's emphasis on domestic prices and indications of party squabbles on this issue. The President's action came shortly after a round of applause for the Krug report on national resources and the Secretary of State's "stirring" address before the CIO in Boston. The subsequent report of the President's Council of Economic Advisers on the impact of foreign aid on the national economy has also been well received. Except for sporadic demands for more factual information and rather general criticism of the mechanics of the food-saving program, the ERP appeared to be getting a more favorable press than at any time since the original outburst of enthusiasm for the Secretary's Harvard address.

Articulate comment in both Republican and Democratic circles has been overwhelmingly in favor of granting aid to Europe. Renewed pressure for hasty action resulted from the formation of the Cominform in Eastern Europe, and the anti-Communist trend of the elections in Western Europe made observers feel that these countries had improved their eligibility for aid. The opposition, while small, continued to question the wisdom of "pouring billions of dollars into Europe every year to rout the Communist threat" (John S. Knight, publisher), lamented that past aid had been wasted (John O'Donnell, Patterson columnist, Henry Taylor (MBS), or held that the U.S. would be financing ideologies "foreign to its own" (Col. McCormick).

Administration of Foreign Aid While there had been little previous discussion of the issue of administration of foreign aid, news reports that Rep. Herter (chairman of the House Select Committee on Foreign Aid), favored a government corporation and that Sen. Taft favored administration by a special agency with responsibility also on domestic

DIVISION OF PUBLIC STUDIES

OFFICE OF PUBLIC AFFAIRS

DEPARTMENT OF STATE

CONFIDENTIAL

CONFIDENTIAL

-2-

prices, have intensified discussion on this issue. While few stands have been taken publicly, speculation as to what Congress might approve or the Administration propose has been heavy.

A government corporation has been favored in the past by such influential spokesmen as Winthrop Aldrich (chairman of the board of the Chase National Bank), Alfred P. Sloan of General Motors, and Charles S. Dewey (former Representative from Illinois), and more recently by the N.Y. Journal of Commerce, Joseph and Stewart Alsop, and the San Francisco Chronicle. Most recently, Governor Dewey has suggested the creation of a special bipartisan authority to supervise aid on a business-like basis. A corporation has been opposed by Helen Fuller (New Republic) and the Detroit Free Press.

But most observers have dwelled on the arguments for or against such an agency without adopting a position. Like Newsweek, commentators have observed: "Creation of an RFC-type government corporation... is under serious discussion both in Congress and the Administration... The principal argument for corporate administration is that it would be flexible enough to cope with the complex and varied problems that rehabilitation of the sixteen participating nations will raise. The strongest argument against it is that the corporation would have tremendous foreign-policy making powers and might exercise them at cross-purposes with the President and his Department of State". Similar observations came from Ernest Lindley and Marquis Childs (Wash. Post), Childs paying particular attention to the controversy that might arise between the corporation and Ambassadors in the various countries. Lindley rejected both the corporation idea and State Department administration in favor of a special govt. agency responsible to the President. Arthur Krock discussed the possibility of a "gentlemen's agreement" between the President and Congress on the issue, whereby the President would appoint a Republican administrator of the ERP. Like others, Krock felt the Administration leaned toward a new agency with a single administrator.

Of those discussing the issue, many have been fearful that the creation of a special agency might be regarded as interference in the internal affairs of the European nations. Gabriel Heatter, for example, felt people would claim that the corporation "would kill the real purpose behind the Marshall Plan which is not to play with any private group in Europe but to support all the people who stand ready to oppose Communism". James Reston reported that 16 European governments had addressed an aide-memoire to the United States suggesting that any supervision of aid be arranged in such a way that it would not be regarded as interference.

CONFIDENTIAL

CONFIDENTIAL

-3-

The Washington Post, Wendell Berge and Harold Stassen have been in the forefront in arguing in favor of a "Peace Production Board" which would in the words of the Post, "manage limited allocations necessary to channel food, machinery, steel and so forth into countries and industries where it can render the greatest service to the cause of European reconstruction"

Information Policy Sideswipes at the Administration's information policy on the European Recovery Program have been appearing at frequent intervals in recent comment. Like James McGraw (McGraw Hill Publishing Co.), several have felt that the American people have not been told clearly the alternatives to undertaking a recovery program (Des Moines Register, Christian Science Monitor, Baltimore Sun, Washington News, Polysidea in the Los Angeles Times). Moreover, criticism of the Department's public relations has come from scattered sources: Doris Fleeson (Wash. Star), James Reston, Kiplinger, Washington Post. Miss Fleeson suggested that the State Department could, "if it wished, do what ex-Secretary Hughes did in former times of tension, report to a press conference daily on the situation". Kiplinger, saying that Sec. Marshall is a "poor wooer of people", criticized his public relations system "where only a select few of influential big bug citizens are invited to the White House and State Department to be told in whispers of the Marshall Plan".

In two articles, James Reston scored inadequate public relations on the ERP. Said Reston: "So far as one can discover, there is no public relations plan at the State Department to deal with it (Marshall Plan) and it is still extremely difficult for reporters at the Department to find out what the State Department thinks about the Paris proposals for European aid". The trouble is, he added: "the people who have the facts there are too busy dealing with the crisis to deal with the public and those who are not too busy to deal with the public do not have the facts". He was particularly concerned, as was Miss Fleeson, that Congressmen "have not been getting the attention from the State Department that they think they should be getting".

Prospects for Success of ERP While political news analysts are almost unanimous in predicting Congressional approval of a program of emergency relief for Europe, there is some reluctance to predict the outcome on the ERP at the present time--due probably to lack of a concrete legislative program. Most agree with David Lawrence that Congress is "united in principle" but that questions will arise over the quantity of aid and the method of granting it (Newsweek, Lindley, Reston). Kiplinger has stated: "There will be a Marshall Plan... with strings...but liberal". Reston, impressed by the change in

CONFIDENTIAL

attitude among Congressmen since the Greek-Turkish legislation was passed, has declared: "The political climate is comparatively sympathetic and an appropriation of over \$6,000,000,000 plus a European stabilization fund of an additional \$3,000,000,000... are being discussed as if the last three ciphers were not attached". Most feel that Congressmen returning from overseas are more sympathetic than when they left, Arthur Krock remarking that the Administration would soon find "cause to rejoice" that these members made first-hand inspections".

II. Congress

Emergency Aid Members of Congress returning from overseas tours appear to have been deeply impressed by starvation and distress abroad and appear to be in general agreement that some kind of emergency relief is needed if chaos and Communist infiltration are to be averted. For example, Rep. Dirksen (R., Ill.)--a frequent critic of past foreign policy measures--declared upon his return: "The United States is obligated for moral reasons as well as for the protection of its ideals to help Europeans as much as it is able". Similar sentiments were expressed by Rep. Mundt (R., S.D.) and by Republican members of the subcommittee of the House Appropriations and Armed Services Committees. While newspapers played up the "sour solos" of Reps. Taber (R., N.Y.) and Andresen (R., Minn.) who claimed they saw "no hunger" abroad, Taber also declared: "America must assist the war stricken countries to recover".

Long-Range Aid Prominent attention in the past few weeks has been focused on Sen. Taft's various statements on foreign aid and on the observations of the House Select Committee on Foreign Aid. The press has played up Sen. Taft's call for a ceiling of \$4 1/2 billion yearly; for establishment of a separate agency; and for consideration of both long-term and emergency aid at the special session. While the press reported the Herter Committee to be sympathetic to foreign aid, observers noted the committee's caution that the European nations might be "over optimistic" and the committee members' calls for strict supervision. More recently, attention has been given to Sen. Vandenberg's first pronouncement on the "Marshall Plan", in which he said he would approve "if self-help and self sufficiency can be made to work". While Vandenberg called for information as to the "total bill--including China", he quoted Sec. Marshall at length and indicated agreement.

In other recent Congressional statements, a European Recovery Program has been defended by Sen. Johnson (D., Colo.), who found the Marshall approach a decided improvement over the British loan which he had opposed, and by Sens. McGrath (D., R.I.), and Smith (R., N.J.). But Sen. O'Daniel (D., Tex.)

CONFIDENTIAL

-5-

held that the program would ruin the U.S. economy and Sen. Wiley (R., Wis.) addressed several questions to the Administration.

Wiley wanted to know: 1) whether or not Europe would keep its pledges; 2) what assurance the U.S. has that aid will not be a mere palliative; 3) whether or not the U.S. intends to "spoon-feed" Europe permanently; 4) what assurance the U.S. has that Europe will utilize its own resources to the maximum; 5) whether aid would be dispensed if countries break pledges; 6) whether aid would be dispensed regardless of strikes and showdowns abroad; 7) whether the U.S. would give aid regardless of political complexion of borrowers; 8) whether consideration was being given to an international development corporation; 9) chances for collateral; 10) chances for more information; 11) whether the word "loan" was being substituted for "gift"; 12) whether the U.S. would "recklessly subsidize socialism"; and 13) whether the U.S. intended to show preference for the free-enterprise system.

Other members were disturbed by some of the same issues as those raised by Sen. Wiley. Sen. Bridges (R., N.H.) was especially concerned about French strikes although he did not rule out support for aid. With Sen. Brooks (R., Ill.), Bridges suggested administration of aid through an RFC-type organization. Bridges added, however, that while the U.S. favors free enterprise, "we should ask nothing of Europeans except that they cooperate with us on a reasonable basis". Brooks declared: "The United States has never yet tried to dictate any people's government; but it can determine what sort of a government it is prepared to subsidize". Sen. Wilson (R., Iowa) also favored a special organization to administer aid on a "hard-headed" business basis, and favored restricting aid to yearly payments. Sen. Kem (R., Mo.) and Sen. Byrd were concerned about the results of former grants to Europe and Sen. Brewster (R., Me.) suggested granting war-surplus ships to Europe--an idea which has been publicly favored only in a few scattered newspapers.

III. General Public

While 80% of the general public approves the general idea of granting aid to Europe, confidential polls (NORC) reveal that the public splits about evenly on supporting a large-scale aid program if it is to involve high prices and continued shortages. Moreover, a substantial segment of the population does not feel that Europe's economic plight is extremely serious and there is considerable feeling that Europeans are not working hard enough. As in the past, few can identify the "Marshall Plan" (46%) and only 21% know that it is postulated on self-help. On the basis of these findings, it appears that the

CONFIDENTIAL

CONFIDENTIAL

-6-

greatest opposition to foreign aid comes from those in the lower educational and income brackets.

To measure the intensity of feeling for and against a European aid program, the National Opinion Research Center asked the following questions:

"Would you approve or disapprove of the U.S. sending machinery and other supplies to help the countries of Western Europe get their factories and farms running again?"

Those approving were asked:

"Would you still approve if this meant that shortages of things you want to buy would continue and prices remain high?"

	<u>National</u>	<u>College</u>	<u>High School</u>	<u>Grade School</u>
Approve despite high prices	49%	72%	48%	35%
Disapprove in principle	16)	11)	15)	21)
Disapprove if high prices	28) 44	14) 25	31) 46	34) 55
No opinion	<u>7</u> 100%	<u>3</u> 100%	<u>6</u> 100%	<u>10</u> 100%

An analysis of public comment mail written to the State Department by the general public reveals that the number of letters has increased from 9 in June to 318 during the first 15 days of October. Of these the majority have been favorable to European aid though many took an indefinite position or suggested their own plans for an aid program. Confusion as to the essential nature of the Marshall proposals was evident, with little recognition of the difference between the "Marshall Plan" and emergency relief measures. Opposition letters stressed the following points: 1) Charity begins at home; 2) Aid will serve no useful purpose except to keep Europe on the dole; 3) Europeans have foreign assets in this country which they could use for recovery; 4) Europe is beyond saving.

CONFIDENTIAL

CONFIDENTIAL

APPENDIX

The breadth of support for a program of large-scale aid Europe is indicated by the following lists which include the views of all sources noted as commenting on long-term foreign aid since the 16 European nations submitted their request for aid to the United States:

I. SUPPORT

Press

Bangor (Me.) Commercial
Baltimore (Md.) Sun
Christian Science Monitor
New York Herald Tribune
New York Journal of Commerce
New York Post
New York Times
Washington News
Washington Post
Washington Star
Charlotte (N.C.) Observer
Louisville Courier-Journal
Tampa (Fla.) Tribune
Detroit News
Des Moines Register
Indianapolis News
Milwaukee Journal
St. Louis Globe-Democrat
Denver Post
San Francisco Chronicle

Columnists

Baldwin, Hanson (New York Times)
Childs, Marquis (Washington Post)
Gustin, Bruce (Denver Post)
Hughes, C.F. (New York Times)
Krock, Arthur (New York Times)
Lerner, Max (PM)
Lindley, Ernest (Washington Post)
McCormick, Anne O'Hara (New York Times)
Mowrer, Edgar (New York Post)
Nover, Barnet (Washington Post)
Phillips, Joseph B. (Newsweek)
Reston, James (New York Times)
Soule, George (Denver Post)
Stokes, Thomas L. (Washington News)
Stone, I.F. (PM)
Sullivan, Mark (New York Herald Trib.)
Thompson, Dorothy (Washington Star)

Magazines

America
Business Week
Christian Century
Commonweal
Export Trade and Shipper
Fortune
Nation
New Leader
Saturday Evening Post

Radio Commentators

Canham, Erwin
Davis, Elmer
Heatter, Gabriel
Murrow, Edward
Smith, Howard K.
Stowe, Leland
Swing, Raymond
Winchell, Walter

Organizations*

American Association of University Women
American Federation of Labor (AFL)
Americans for Democratic Action
American Legion
American Veterans of World War II

*Based upon statements in most cases appearing in the press

CONFIDENTIAL

CONFIDENTIAL

Organizations (Cont'd.)

Committee on Public Affairs
Congress of Industrial Organizations (CIO)
Council for Democracy
Federal Council of Churches of Christ in America
Freedom House
Human Relations Commission, Protestant Council of N.Y.
Jewish War Veterans
Lutheran World Federation
National Farmers Union
Postwar World Federation
Society for the Prevention of World War III
United States Junior Chamber of Commerce
Women's Action Committee for Lasting Peace
Young Women's Christian Association

Prominent Leaders and Individuals*

Acheson, Dean, former Under Secretary of State
Aldrich, Winthrop, chairman of the Board, Chase Nat'l Bank
Arnold, Thurman, attorney
Berge, Wendell, former government official
Bowles, Chester, former chief of OPA
Brown, Lewis H., Johns-Manville Corp.
Byrnes, James F., former Secretary of State
Carey, James, CIO
Cherne, Leo, Research Institute of America
Coogan, Walter, Sylvania Products
Dean, Vera M., Foreign Policy Association
Dewey, Thomas, Governor of New York
Dodge, Joseph, president, American Bankers Association
Driscoll, Alfred, Governor of New Jersey
Emeny, Brooks, Foreign Policy Association
Fay, Sidney, Harvard University
Gideonse, Harry, president, Brooklyn College
Heilbroner, Robert, economist
Heiser, Victor, author
Hoover, Calvin B., Duke University
Hoyt, Palmer, Denver Post
Ickes, Harold, former Secretary of Interior
Jacoby, Neal H., University of Chicago
Kline, Allan, Iowa Farm Bureau Federation
Landon, Alf, former Governor of Kansas
Lattimore, Owen, Far Eastern expert
Lewis, Lafayette, Elks
McKittrick, T.H., Chase National Bank
McNutt, Paul, attorney
McVey, Frank, University of Kentucky
Meyer, Eugene, Washington Post

*Based upon statements in most cases appearing in the press

CONFIDENTIAL

CONFIDENTIAL

Prominent Leaders and Individuals (Cont'd.)

O'Neal, Edward, American Farm Bureau Federation
Patterson, Grove, Toledo Blade
Reed, Philip, General Electric Co.
Rieve, Emil, CIO
Rockefeller, Nelson, former Asst. Secretary of State
Ruml, Beardsley, R.H. Macy Co.
Sloan, Alfred P., General Motors Corp.
Truslow, Francis, N.Y. Curb Exchange
Turner, Roy, Governor of Oklahoma
Warburg, James, former government official
Withers, Carl K., American Bankers Association

II. SUPPORT WITH STRONG QUALIFICATION OR RESERVATION

Press

Philadelphia Inquirer
Miami Herald
Kansas City Star

Columnists

Brown, Constantine (Wash. Star)
Chamberlin, Wm. Henry
(Wall St. Journal)
Edson, Peter (Washington News)
Kingdon, Frank (New York Post)
Lawrence, David (Washington Star)
Moley, Raymond (Washington Star)
Royster, Vermont (Wall St. Journal)

Magazines

Collier's
Magazine of Wall Street
New Republic
United States News

Radio Commentators

Kaltenborn, H.V.
Lewis, Fulton

Organizations*

American Association for the United Nations
American Bankers Association
American Veterans Committee
Association of National Advertisers
National League of Women Voters
National Peace Conference

Prominent Leaders and Individuals*

Abbink, John, McGraw-Hill Publishing Co.
Donnelly, J.L., Ill. Mfg. Association
Kennedy, Joseph P., former Ambassador to Britain

*Based upon statements in most cases appearing in the press

CONFIDENTIAL

CONFIDENTIAL

Prominent Leaders and Individuals (Cont'd.)

McGraw, James, McGraw-Hill Publishing Co.
Patton, James, National Farmers Union
Staassen, Harold, former Governor of Minnesota
Wallace, Henry, editor, New Republic
Ward, Wilbert, National City Bank of New York

III. OPPOSITION

Press

N.Y. Saratogan
Wall Street Journal
Washington Times Herald
Chicago News
Chicago Tribune
Detroit Free Press
Hearst Press

Columnists

Bargeron, Carlisle (Commercial
(and Financial Chronicle)
Brown, George Rothwell (Hearst)
Hazlitt, Henry (Newsweek)
O'Donnell, John (Patterson)
Sokolsky, George (Hearst)

Radio Commentator

Taylor, Henry

Organizations*

American Tariff League
Progressive Citizens of America

Prominent Leaders and Individuals*

Adams, Donald, Brig. General
Bromfield, Louis, author
Gannett, Frank, publisher
Garrett, Garet, American Affairs
Jackson, Mayor, former mayor of Baltimore
Jordan, Virgil, National Industrial Conference Board
Kettering, Charles, General Motors inventor
Knight, John S., publisher
McCormick, Colonel, publisher
Weir, Ernest, National Steel Corp.
White, C.M., Republic Steel Co.

*Based upon statements in most cases appearing in the press

PS:BARS:ae:kb

C CONFIDENTIAL