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NOVEMBER, 1949

NO. 3

A Current Report on  
**THE MARSHALL PLAN**  
Prepared for the ECA Public Advisory Board

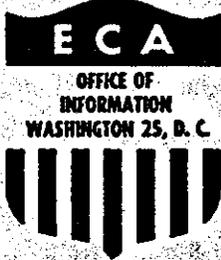


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**REPORT OF THE ECA —  
COMMERCE MISSION**

To Investigate Possibilities  
Of Increasing Western Europe's  
Dollar Earnings



Submitted by  
**THE ECONOMIC COOPERATION ADMINISTRATION**  
Washington, D. C. October 1949

## Special Study Shows That U. S. Must Expand Imports

In a special report to Administrator Paul G. Hoffman, the joint ECA-Department of Commerce mission sent to Europe last May to study trade problems, said that the trade of the United States with western Europe and the rest of the world is so badly unbalanced that this country in its own interest, as well as that of Europe, must seek a fundamental solution based primarily upon greatly expanded imports to the United States.

Pointing out that the United States is not importing enough from ERP countries for them to earn sufficient dollars to pay for what they must buy from us, the report says expanded sales in the United States are necessary to bridge the dollar gap, which acts as a brake on European recovery and a drain on American

taxpayers. Because of the European dollar shortage, the report said, our exports have been maintained by subsidies at taxpayers' expense, the United States Government having provided \$49 billion in grants and \$19 billion in loans to foreign countries from July 1914 through 1948. Foreign aid programs, it continued, have been necessary to prevent chaos and keep free institutions alive.

"Members of the mission have advanced various suggestions as to how this government may assist and these suggestions now are being studied," Mr. Hoffman said. "Among other things, they deal with credit facilities, customs duties and procedures.

"It is believed that many items produced in Europe could be imported into the United States with little or no effect upon our own industrial economy. A number of items produced in Europe are not produced here. In the case of other commodities and products, competition would not be involved to a great degree. The American capacity to consume is so large that it can absorb European imports in a volume important to European recovery but only fractional in comparison to our productive resources. The United States Department of Commerce will provide detailed information on import possibilities."

Expansion in United States purchases from Europe and its dependencies, the mission's report said, is most likely in the fields of tourism, raw materials and manufactured goods designed for specialized purposes or requiring special skills or unique raw materials for their production.

"Realization of full import potentials will require the elimination or substantial lowering of existing barriers and other obstacles to the import trade, as well as the reform of many exist-

ing trade practices," the report continued. "Concurrent action by European and United States businessmen, meshed with and supported by action of their respective governments, for the elimination of barriers and for the improvement of business practices, is necessary to create the favorable economic climate in which high level United States import trade can flourish."

The mission listed the following as prominent among the obstacles whose elimination would foster soundly expanded import trade:

1. Oppressive controls imposed by the governments of exporting nations. These include export quotas, import quotas on essential raw materials, export fees and taxes, excessive documentation and irksome frontier formalities affecting the passage of travelers and goods. Many of these trade-throttling forms of control are the result, the report says, of the growth of bilateralism among European countries.

2. High American tariff. The report says that while negotiations under the Reciprocal Trade Agreements Act have resulted in substantial lowering of many American tariff rates, high or prohibitory rates remain on a wide range of products, particularly many of the artisan and art goods as well as other specialty manufactured items whose sales potential in the United States market otherwise would be high. Many items, it is pointed out, do not involve direct competition with American-made products.

3. United States customs procedures. Revisions in procedures are recommended to eliminate delays in appraisal or in assessment of duties.

4. "Buy American" restrictions on federal, state and local government procurement. Under existing federal legislation, the

report adds, procurement of foreign materials or of commodities manufactured from foreign materials is prohibited unless these materials are not reasonably available in the United States, while state and local legislation with respect to official procurement is likewise frequently restrictive.

5. High prices. Prices at which a number of products are offered to the United States market are inflated because of United States tariff rate, cost of clearance through customs, over-valuation of the currency of the exporting country and the cost of complying with foreign export and currency controls. (Many countries have since devalued their currencies.) In addition, the report continued, low productivity and high labor costs in European production, and high charges for the use of capital have contributed to a cost structure which in many instances has priced European goods out of this market.

Among practices urgently demanding improvement are inadequate credit facilities and lack of aggressive selling, the mission said in recommending that European producers and exporters study the characteristics of the American market, marketing and distribution techniques and the need for standardization of sizes and qualities. The report suggested better delivery schedules and adequate inventories for replacement of stocks. European traders, it said, frequently find their resources inadequate to maintain inventories accessible to the American market in sufficient size to assure rapid availability of merchandise to replace sold stocks.

The report listed a number of suggestions as to what could be done by governments, business and labor to expand imports to the United States.

It recommended that European governments work through the

International Monetary Fund for a return to single rates of exchange realistically evaluated; simplify or abolish import and export controls and provide adequate credit facilities to their exporters. European business, it said, should develop aggressive campaigns to sell in the United States, obtain interior as well as seaboard distribution of products, maintain larger inventories here; subcontract portions of large orders with small firms grouping themselves in productive associations to handle large United States orders; and establish associations with United States distributors through financial, long-term participation in joint export-import enterprises. It urged that United States business re-examine European products for specialties with the view of making them available through stores; seek participation in projects in overseas territories of ERP countries; and adopt new procedures for financing imports.

"The mission suggested that the United States Government assist foreign governments, trade and business organizations in establishing effective trade information service; accelerate stockpiling of raw materials; and facilitate the availability of credit for import transactions to permit the maintenance of adequate inventories of import goods", Hoffman stated. "It also suggested that the United States Government liberalize existing foreign trade zones and continue its policy of encouraging the establishment of international trade fairs in the United States as well as encouraging participation in European trade fairs by United States businessmen."

The report also stressed a recommendation that the Organization for European Economic Cooperation (OEEC) direct its

greatest effort toward promoting the elimination of trade barriers in European countries.

The mission was headed by:

Wayne C. Taylor, assistant to Administrator Hoffman, and formerly president of the Export-Import Bank of Washington. Other members were E. E. Schnellbacher, director, Intelligence and Services Division, Department of Commerce; Max J. Wasserman, assistant to the latter; Paul Hawk, assistant director, Commodities Division, Office of International Trade, Department of Commerce; A. M. Lederer, partner, Morris and Van Wormer, industrial engineers, New York; Robert Ducas, director, Precision Parts Co., Pawling, N. Y.; Ralph Straus, member of the board, R. H. Macy & Co., Inc., New York; and William LaVarre, consultant on Latin American affairs, of Washington. Messrs. Lederer, Ducas, Straus and LaVarre served as ECA consultants.

\* \* \* \*

### Fifth Report is Available

Copies of the *Fifth Report to Congress of the Economic Cooperation Administration* are available to the public at the ECA Office of Information, 800 Connecticut Avenue N. W., Washington 25, D. C.

The comprehensive 141-page report reviews European recovery operations for the period April 3-June 30, 1949.

The report covers activities under the Economic Cooperation Act of 1948 (Title I of Public Law 472, as amended) as well as the programs of economic aid to China under Section 12 of Public Law 47, 81st Congress, and to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Congress). There is also included in the appendix a summary of the status of the United States Foreign Relief Program (Public Law 84, 80th Congress) and The United States Foreign Aid Program (Public Law 389, 80th Congress).



*ECA's Women's Advisory Committee on Information holds its initial meeting . . .*

## **Women's Advisory Committee On Information Organized**

"We believe that American taxpayers are entitled to complete information as to the operation and progress of the Marshall Plan—how funds are being spent, and with what results toward the ultimate goal."

That, in part, was a resolution adopted by the Women's Advisory Committee on Information to the Economic Cooperation Administration which met in Washington recently to offer its support to a program of creating greater understanding of the Marshall Plan.

The committee, which was formed to advise the ECA Director of Information on informational problems as they pertain to

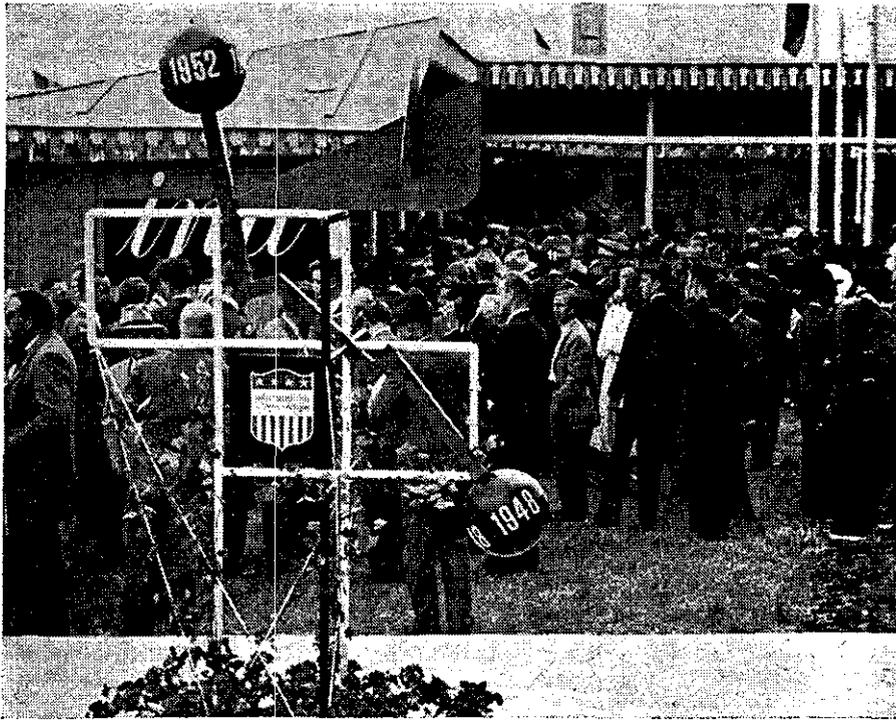
women's groups, includes outstanding representatives of national women's groups as well as leaders in the information field.

During the two-day meeting, Administrator Paul G. Hoffman and Deputy Administrator William C. Foster presented the group with a review of progress during the first 18 months of the Marshall Plan. Other ECA officials discussed various aspects of the European Recovery Program, including industrial productivity, labor relations, the technical assistance program and other subjects directly affecting family conditions such as health, food, medicinal drugs and employment.

The following women attended the organization meeting:

Mrs. Arthur F. Anderson, President of National Board, National Y.W.C.A., New York, N. Y.; Mrs. Alfred R. Bachrach, Vice-Chairman, Jewish Welfare Board, New York, N. Y.; Mrs. J. L. Blair Buck, President, General Federation of Women's Clubs, Washington, D. C.; Miss Doris Cochrane, representing Division of Public Liaison, State Department, Washington, D. C.; Mrs. Elizabeth Cox, representing Zonta International, Washington, D. C.; Mrs. Elsie M. Fenton, Vice-President, American Federation of Soroptimist Clubs, Des Moines, Iowa; Dr. Bess Goodykoontz, Office of Commissioner of Education, Washington, D. C.; Miss Pat Griffith, Director of Women's Activities, National Association of Broadcasters, Washington, D. C.; Mrs. Genevieve Forbes Herrick, Public Relations Consultant, Dorset, Vt.; Mrs. Marjorie C. Husted, Vice-President, General Mills, Inc., Minneapolis, Minn.

Mrs. Howard G. Hymer, Chairman, Committee on Education for Lasting Peace, New York, N. Y.; Mrs. I. Lee Levy, Vice-Chairman of National Committee of Education and Social Activities, and National Council of Jewish Women, Inc., New York, N. Y.; Miss Katherine Lyford, Chairman, International Committee, National Federation of Business & Professional Women's Clubs, Boston, Mass.; Miss Pauline Mandigo, President, Phoenix News Bureau, New York, N. Y.; Miss Jennie Matyas, Vice-President, International Ladies Garment Workers Union, San Francisco, Calif.; Dr. Kathryn McHale, General Director, American Association of University Women, Washington, D. C.; Mrs. Evelyn Monaco, President, Ladies Auxiliary to the Veterans of Foreign Wars, Kansas City, Mo.; Dr. Elizabeth Morrissy, Chairman of Committee on Social Action, National Council of Catholic Women, Washington, D. C.



*The role of Marshall Plan aid in the lives of the Danish people was explained in this special exhibit at Copenhagen. Arranged by the Ministry of Foreign Affairs, it attracted thousands of visitors.*

Mrs. Norton H. Pearl, former President of the American Legion Auxiliary, Eastport, Mich.; Mrs. Joseph F. Robinson, Chief of Women's Division Savings Staff, United States Treasury, Washington, D. C.; Mrs. Raymond Sayre, National President, Associated Women of the American Farm Bureau Federation, Chicago, Ill.; Mrs. Norman Sheeche, National President, American Legion Auxiliary, Indianapolis, Ind.; Mrs. Frances V. Smith, President, Communication Workers of America, Detroit, Mich.; Mrs. Iva Gorton Sprague, Lecturer and writer on international affairs, Corning, N. Y.; Mrs. H. A. Stone, Vice-President, League of Women Voters, Washington, D. C.; Mrs. J. H. Weaver, Lecturer, Omaha, Neb.; Miss Marie Wing, Regional Attorney, Social Security Board, Federal Security Agency, Cleveland, Ohio; and Mrs. Paul Wingert, Director of Educational Programs, Association of Junior Leagues of America, New York, N. Y.

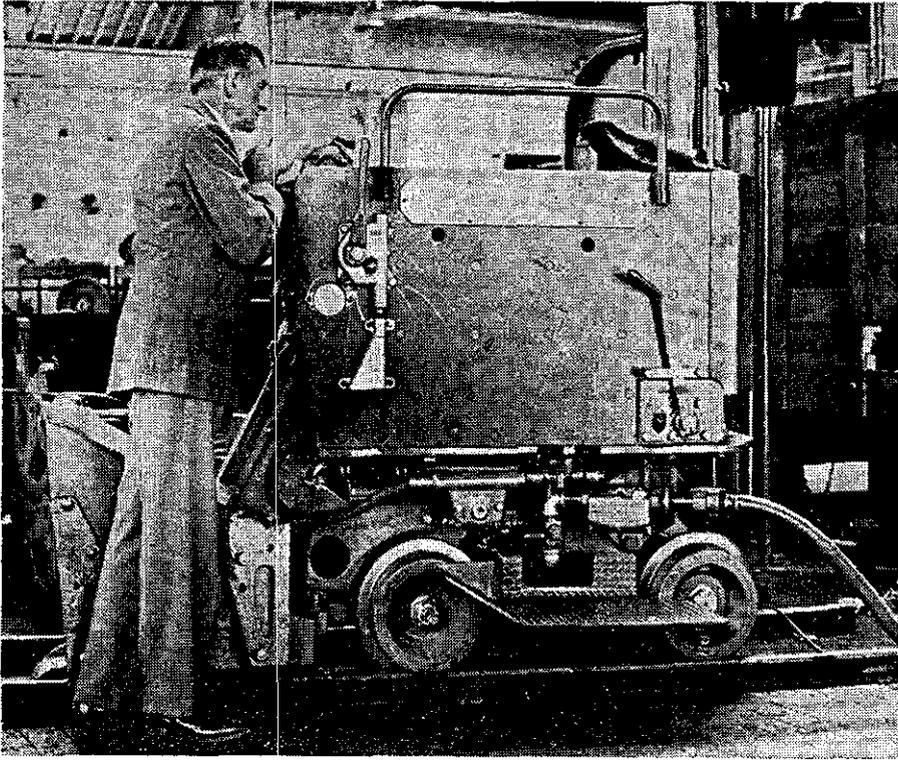


*Payment of the five billionth Marshall Plan dollar is authorized . . .*

## **Denver Firm Receives Five Billionth Dollar Paid for European Recovery Goods**

The five billionth Marshall Plan dollar has been paid by the U. S. Treasury to finance the purchase of recovery items for Western European nations.

Payment of \$332.44 to the Gardner-Denver Co., of Denver, Colo., for spare parts for mine car loaders delivered to Italy brought the total payments under the European Recovery Pro-



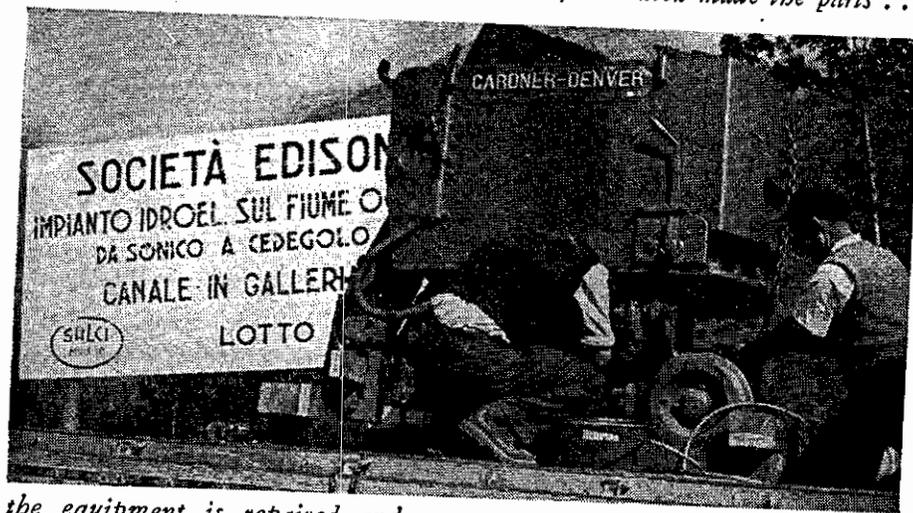
*for purchase of parts for an Italian mine car loader of this type . . .*  
gram over the five-billion-dollar mark. Payments are expected to go over the \$6,000,000,000-mark by the end of the year.

The American-made loaders for which the spare parts were purchased are being used by two companies, one in North Italy, the other in the South.

In the North the loaders are being employed by the S. A. L. C. I. Company, of Milan, a subsidiary of the Edison Company of Italy, in the construction of a tunnel which is part of a big hydroelectric project on the Liro river, a tributary of the Mera river which empties into Lake Como, a world known resort center.



*The bank pays a representative of the U. S. firm which made the parts . . .*



*the equipment is repaired and recovery moves another step forward.*

The project includes the construction of two artificial lakes, three dams and two power stations. One station is for 25,000 kilowatt amperes and the other for 50 kilowatt amperes. The group will supply about 100,000,000 kilowatt hours per year of electric energy.

The current will go into the Edison network, which supplies Northern Italy with power. It will help solve Italy's critical power shortage resulting from an almost unprecedented drought.

The S. A. L. C. I. Company has received about \$200,000 worth of equipment under the recovery program, consisting of mine car loaders and drilling equipment. They have six Gardner-Denver loaders.

In South Italy the car loaders are being used by Paul Lodigiani, a leading Italian contractor of Milan, in Calabria, the "toe of the Italian boot." Mr. Lodigiani is engaged in constructing dams, hydro-electric plants and buildings, and harbor and dock installations. Some of these improvements are being financed by the Italian counterpart fund. He recently made a 22-day, 22,000-mile tour of the United States to study modern dam construction, including Grand Coulee and Shasta, at his own expense.

Following is a breakdown on how the first five billion dollars were paid out for Marshall Plan commodities:

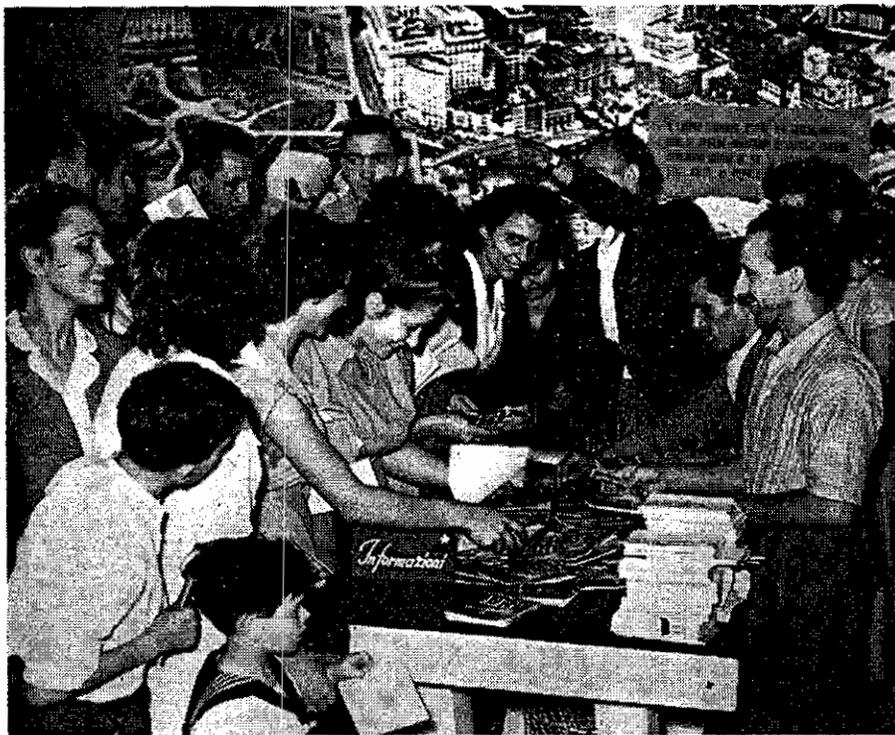
- 45 per cent was reimbursement to participating countries
- 33 per cent was in the form of letter of credit transactions
- 2 per cent was paid on sight drafts
- 20 per cent was paid to the Department of Agriculture and other U. S. government agencies which have made purchases on behalf of Marshall Plan countries.

\* \* \* \*

## European Nations Must Integrate Their Economies, Hoffman Warns

Speaking before the Organization for European Economic Cooperation in Paris, France, October 31, ECA Administrator Paul G. Hoffman warned:

" . . . For all these reasons—but particularly because of the urgency of the need—I do make this considered request: That



*Literature on the Marshall Plan and how it has helped Italy along the road to recovery met with heavy demand at a Milan fair. Here Italians press around an Economic Cooperation Administration information booth.*

you have ready early in 1950 a record of accomplishment and a program, which together will take Europe well along the road toward economic integration.

"By accomplishment, I mean really effective action to remove the quantitative restrictions on trade on which you have recently made a start. I also mean the elimination in Europe of the unsound practice of double pricing—that is, maintaining export prices for fuel and basic materials at higher levels than domestic prices. This practice results in higher production costs throughout Europe. It cannot be squared with your pledges of mutual aid.

"By a program, I mean a realistic plan to meet the fundamental requirements I have described. Perhaps you will accomplish this through adaptation of existing institutions. Perhaps you will find that new central institutions are needed.

"We are together playing for high stakes in this program. The immediate goal is a solidly based prosperity for an economically unified Western Europe—a goal which President Truman reaffirmed to me just before I left Washington. Beyond that lies what has been the hope of all men of good-will during your lifetime and mine, an enduring peace founded on justice and freedom. That high hope can be realized if we, the people of the free world, continue to work together and stick together."

\* \* \* \*

## **Appropriation for European Recovery Totals \$4,852,380,000 for Fifteen Months**

The appropriation for the Economic Cooperation Administration, providing a total of \$4,852,380,000 for European recovery

for a 15-month period, was signed by President Truman on October 6.

This includes an appropriation of \$3,628,380,000 for the 12 months beginning last July 1 and \$150,000,000 of additional loan authorizations for Marshall Plan countries from the Export-Import Bank.

Approved by the Congress on September 29, the measure also provides \$1,074,000,000 to cover Marshall Plan operations during the final quarter of the preceding fiscal year ended June 30, 1949. The ECA's original appropriation was spent during the first 12 months of the Marshall Plan, necessitating the special appropriation for the three-month period. During that quarter the Congress had granted the ECA authority to borrow \$1,000,000,000 from the Reconstruction Finance Corporation so that it could continue operations while the appropriation bill was pending.

Early in the year the Organization for European Economic Cooperation (OEEC) requested \$4,690,100,000 for the 1949-50 fiscal year. After review, the ECA cut the request to \$4,280,000,000. This amount was later cut by the ECA to \$4,198,200,000 as a result of price drops in certain commodities.

A sub-committee of the House Appropriations Committee recommended an appropriation of \$4,015,000,000. This was reduced to \$3,568,000,000 by the House Appropriations Committee.

The House itself approved this figure on May 26, 1949, permitting its expenditure in a 10½-month period. In addition, the bill provided \$1,074,000,000 for the quarter ended June 30, 1949.

The Senate Appropriations Committee which ended hearings

on July 12, 1949 recommended \$3,628,000,000 for the 1949-1950 fiscal year; \$150,000,000 in loan authority; and \$1,000,000,000 for the final 1948-1949 quarter.

The bill was recommitted to the Senate Appropriation Committee on July 27, 1949 as a result of charges that it included amendments to legislation. The Senate Committee reported the measure again on July 30, and the Senate passed it August 8 on a vote of 63 to 7, adding \$74,000,000 for obligations made for the last 1948-1949 fiscal quarter.

The Senate-House conferees reconciled their differences on September 28 and both Houses passed the measure the following day.

\* \* \* \*

## **Program to Assist Small Business Results in Numerous Inquiries**

Details of a program to provide American small businessmen with greater opportunities to participate in Marshall Plan orders placed in the United States have been made public and have resulted in many inquiries.

Bert H. White has been named to head the ECA's Office of Small Business.

Development of each major phase of the program has been started. When completely in operation the small independent firms will be provided with:

1. A counseling service for guidance in exporting under the Marshall Plan. Now in operation, this personalized service will provide the small supplier with information to help him solve his individual problems.

2. Information of potential purchases to be made in United States under the Marshall Plan.
3. Names and addresses of European importers and the products they have purchased under the plan.
4. Information regarding commodities which offer the greatest opportunities for sales in Europe.
5. Finally, a directory will be compiled listing commodities and names and addresses of American small business firms which have indicated their desire to enter the export field. This directory will be for overseas distribution and will be available through the ECA missions to European importers who are seeking additional American sources of supply.

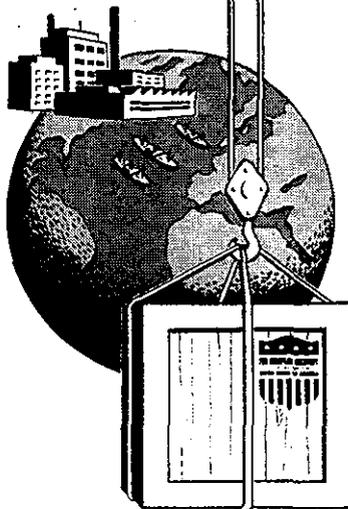
As one important move, the cooperation of participating nations is being sought to encourage the purchase by European importers of products of American small suppliers. Through greater participation of small business, the ECA points out that overseas buyers may obtain lower prices as the result of wider competition. To further stress small business participation, purchase authorizations now will contain the following:

“ . . . procurement of commodities and services under this procurement authorization should, insofar as practicable, be made in such a manner as to include among the suppliers thereof, American small business firms which can furnish commodities and services of comparable quality at prices and terms of delivery which are competitive.”

Meanwhile, study is going forward on the most difficult step of the entire program—obtaining information of purchases which may be made by Europeans under the Marshall Plan. Preliminary conversations have been held abroad to develop ways of obtaining, in as much detail as possible, information regarding the purchase program of each Marshall Plan country. Overseas missions are pursuing the study and, it is anticipated, purchase information soon will be developed of benefit to small businessmen.

Along this line, the Austrian Government has announced that it will furnish the ECA with its buying requirements for given periods. It will buy on a sealed bid basis in Vienna to encourage wider competition among sources of supply. First advance purchase information was released on October 14 and interested American businessmen were advised to submit their bids directly to Austrian importers, who in turn would channel the bids to the appropriate Austrian agencies.

## the ECA and SMALL BUSINESS



The ECA also is compiling a list of European importers who have done business under the Marshall Plan. Arranged by product purchased, the list will be a possible source of potential customers to American small business. The list of import agents will enable the small enterprise to contact a European agent for sales representation in the participating countries. With these tools the small businessmen will be able to more efficiently promote their products abroad.

To further assist small business, the ECA has issued a pamphlet entitled, *ECA and Small Business*. It is designed to explain many of the problems the newcomer would face in export trade, thus enabling him to avoid unnecessary expense. The pamphlet outlines the various methods of organizing for overseas business including the advantages and disadvantages of each method. It explains the necessity for overseas market analysis and directs the small businessman to sources of helpful information.

In preparation is a booklet which will give expert and specific information on every step in developing an export program through organization, selling, packing, shipping and payment. Need for both publications was seen in the fact that most small businessmen traditionally have not exported and therefore lack knowledge and experience in export techniques.

Other steps in the program are:

A method to assist groups of manufacturers so that they may pool facilities, technical know-how and finances to enter the export markets.

Advice and guidance to small manufacturers who want to pro-

duce abroad or invest in overseas companies for the manufacture of their products under the ECA guaranty program.

Designed to meet the intent of a recent congressional directive, the program is the result of the best suggestions developed by the staffs of the Subcommittees on Small Business of the Senate Banking and Currency Committee, the House Select Committee on Small Business, small business divisions of other government agencies, all divisions of the ECA, specialists in export, manufacturers successful in export and small business trade associations.

\* \* \* \*



*One of the attractions at this year's Hanover fair, an exhibit of Western Germany's industrial output, was the ERP exhibit. The portable exhibit was taken on a tour of the British zone after the fair closed.*

## Germany and Great Britain To Receive Technical Books

Marshall Plan dollars will be used to purchase American agricultural books, technical publications and motion picture films for Great Britain and the Federal Republic of Germany.

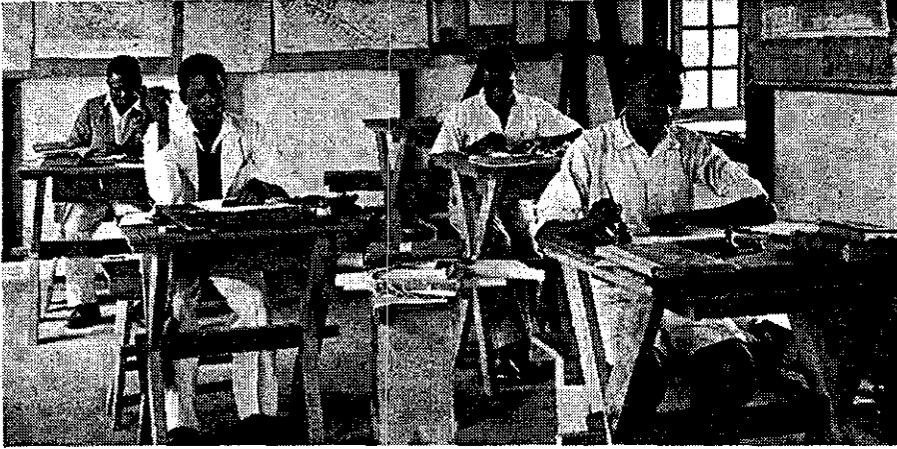
The first technical assistance project of this type was approved for Western Germany which will receive American agricultural books and periodicals for its colleges and research institutes. The cost, which is estimated at about \$8,250, will cover the purchase of 377 copies of 164 book titles and issues of 68 periodicals for the years 1939 through 1949.

Great Britain's Department of Scientific and Industrial Research will obtain \$22,500 worth of books and periodicals on such technological subjects as machine design; textile research, metallurgy, plastics and civil and mechanical engineering.

ECA also has earmarked \$10,200 for the purchase of American agricultural books, periodicals and motion picture films for the British Ministry of Agriculture. The publications include nearly 200 technical works and more than 40 technical periodicals published in North America, and the films include three copies each of two titles demonstrating modern dairy methods.

The American publications, which these countries have not been able to purchase because of the war and the subsequent dollar shortage, are expected to do much to speed their agricultural production and industrial productivity.

\* \* \* \*



*Surveys and maps are necessary before development work can get underway . . .*

## U. S. Scientists Help British Develop Their Overseas Territories

American scientific "know-how," backed by the Marshall Plan, is helping the British overcome some of their most serious problems in the development of their overseas territories.

Down along the African Gold Coast, and as far east as the jungles of Kenya, American experts have worked their way through the mangrove swamps to assist the British in a battle which has been going on for years—the fight against the tsetse fly and malarial mosquito.

In other potentially rich, but "untapped" areas, American aid is linked with the output of such critical materials as industrial diamonds, rubber and sisal, and American agricultural specialists are hard at work on soil research, veterinary problems and plant pathology.

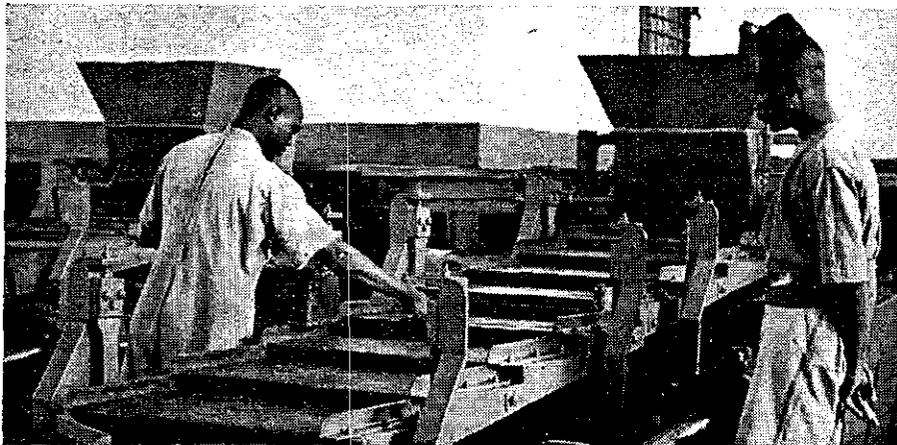


*Scientific methods will increase production of short-supply items like sisal . . .*

For the British territories, the ultimate stakes are high: new sources of wealth through the increased output of food and minerals, a better standard of living for the people of Africa, and the stimulation of exports to European and dollar markets.

The role of the Economic Cooperation Administration is two-fold: first, to finance machinery and materials desperately needed for industrial and agricultural expansion, and second, to support this expansion by furnishing American technical assistance at the request of the participating country.

Because the economic development of dependent territories of Marshall Plan countries is closely related to European recovery as a whole, ECA has appointed two leading experts on territorial development to head this phase of the program. Dr. Isaiah Bowman, President Emeritus of Johns Hopkins University was chosen as adviser to ECA Administrator Paul G. Hoffman in



*and industrial diamonds, which will be added to the U. S. stockpile.*

Washington, and Dr. John E. Orchard, of Columbia University, was named special adviser to Ambassador W. Averell Harriman in Paris.

ECA technical assistance has gone to British Africa where one of ECA's first steps was to assign an American scientist and an insecticide expert to make a survey of sleeping sickness and malaria control. The specialists, Dr. Frederick J. Brady, of the U. S. Public Health Service, and Harry H. Stage, of the U. S. Department of Agriculture, cut their way through miles of underbrush and jungle to track the tsetse fly and the malarial mosquito to their breeding grounds. Although the British have been conducting intensive studies in this field for years and already have established various control measures, the findings of the American experts will be used by the British Government in preparing plans for further research in the blighted areas.

In an effort to develop new lines of trade, ECA is spending

about \$40,000 to help the British make a preliminary survey of a railway that will link northern Rhodesia with east Africa. The four-month study was initiated by Great Britain and African colonial governments and is being made jointly by British and American engineering firms.

Three other American experts have returned from Africa with recommendations for stimulating agricultural productivity, and a longer range project, for which ECA has earmarked \$1,500,000, calls for the recruiting of 58 geologists, chemist-assayers and topographical engineers, not only for Africa but also for Borneo and British Guiana. The surveys are important to the development of new sources of wealth, particularly such raw materials as gold, tin, platinum and coal.

Other projects under ECA's technical assistance program include the increase of rice production in British Guiana, where two American specialists currently are touring the area to make a survey of rice fields and milling facilities.

\* \* \* \*

## Highlights of Speeches by ECA Officials

PAUL G. HOFFMAN,  
Administrator,  
Before Michigan Municipal League,  
Battle Creek, Michigan

" . . . I put it to you in all candor, and at the risk of being undiplomatic, that our problem is not only to get Europe on its feet, but off our backs.

"Why should we be concerned about getting Europe back on its feet? Why did Congress, after a year of study—the most intensive study ever given to any peacetime governmental proj-

ect—conclude that a four-year program of foreign assistance was worth the billions it would cost?

“The answer, to quote a phrase from the Foreign Assistance Act itself, is that the then ‘existing situation in Europe endangered lasting peace.’ . . .”

\* \* \* \*

PAUL G. HOFFMAN,  
Administrator,  
Before the American Federation of Labor,  
St. Paul, Minnesota

“ . . . I am glad that I can bring you an item of good news. It is tidings of what shall surely be a better day for Europe, and if a better day for Europe, a better day for the world.

“For three European nations have just taken an historic step. Italy, Great Britain and France are lifting quantitative restrictions and import quotas as much as 55% of their total imports from other Marshall Plan countries. This is a practical move towards creating within western Europe the same sort of free intercourse that has proven so fruitful among the forty-eight states in our own country. . . .”

\* \* \* \*

WILLIAM C. FOSTER,  
Deputy Administrator,  
Before American Bankers Association,  
San Francisco, Calif.

“ . . . I would not wish to give you the impression, however, that ECA uses its financial power to direct the European enterprise. We are not doing so. We do not wish to do so. And, we could not do so if we wished. I give you that straight out of my experience with the European end of ECA's operations. The Europeans are running their own show. The United States

is only putting up 3 per cent of the funds going into capital improvement and expansion in Europe, as compared with Europe's 97 per cent. As bankers, we advise, suggest, and in certain instances withhold money for materials that appear to be unneeded for the recovery program. But as good bankers, we do not try to run the business. . . ."

\* \* \* \*



*More than 150,000 copies of different European Recovery Program pamphlets were distributed to visitors at the Utrecht, Netherlands Industries Fair, as a part of ECA's overseas information program.*