

COMMISSION ON FOREIGN ECONOMIC POLICY

MAY 18 (legislative day, MAY 15), 1953.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany S. J. Res. 78]

The Committee on Finance, to whom was referred the joint resolution (S. J. Res. 78) for the establishment of the Commission on Foreign Economic Policy, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

PURPOSE

The purpose of the proposed legislation is to establish a temporary bipartisan commission to be known as the Commission on Foreign Economic Policy. It is intended that the proposed Commission shall provide the mechanism for a thorough examination of our whole foreign economic policy, as recommended by President Dwight D. Eisenhower in his letter dated May 1, 1953, to the Vice President and the Speaker of the House of Representatives.

ORGANIZATION OF THE COMMISSION

It is proposed that the Commission shall be composed of 11 members, of whom 5 would be appointed by the President, 3 by the Vice President from the Members of the Senate, and 3 by the Speaker of the House from the Members of the House. No more than 3 of the members appointed by the President would be affiliated with the same political party and no more than 2 of the 3 members appointed by the Vice President and the Speaker of the House respectively could be from the same political party.

In order to provide representation from private life, it is proposed that no more than 3 of the 5 members to be appointed by the President shall be from the executive branch.

The Chairman and Vice Chairman of the Commission are to be elected by the Commission from among its own members. Six members of the Commission are to constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

Senators and Representatives who serve on the Commission are not to receive any additional compensation for their duties as members of the Commission. However, it is provided that they shall be reimbursed for travel, subsistence, and other necessary expenses arising from the performance of their duties as members of the Commission. Likewise, members of the Commission already serving in the executive branch of the Government are not to receive additional compensation for their services on the Commission, and it is provided that they shall have the same reimbursement for travel, subsistence, and other necessary expenses as the legislative members.

The proposed legislation provides that members from private life shall be paid on a per diem basis at a rate not to exceed \$75 per day when engaged in the performance of the Commission's duties. These members also are to have the same reimbursement for travel, subsistence and other necessary expenses as the other members.

RECOMMENDATIONS AND EXPIRATION OF THE COMMISSION

The Commission is directed to submit to the Congress a report of its findings and recommendations within 60 days after the convening of the 2d session of the 83d Congress. The Commission would cease to exist 90 days after the submission to the Congress of its final report.

EXPENSES AND STAFF OF THE COMMISSION

The committee appreciates that the comprehensive examination and study contemplated will require intensive effort if its objectives are to be achieved in time to provide a basis for legislation during the 2d session of the 83d Congress. Consequently, the legislation contains a general authorization for appropriations and confers broad authority in the Commission to employ staff personnel, experts, and consultants.

DUTIES OF THE COMMISSION

The Commission is directed to examine, study, and report on the subject of international trade and to recommend policy, measures, and practices for stimulating its sound enlargement. It is intended that the Commission shall study significant factors of policy and practice both in the United States and in foreign countries which affect the volume of international trade and investment. The detailed specifications of duties contained in section 9 of Senate Joint Resolution 78 are not intended in any sense to limit the scope of the study. These specifications are merely illustrative and indicate the broad design and purpose of the Commission.

POWERS OF THE COMMISSION

In order to achieve its objectives the legislation confers ample subpoena powers on the Commission. In addition, the Commission is authorized to secure any information it deems necessary to its func-

tions from any department, agency, or independent instrumentality of the Government. Each such department, agency, and instrumentality is authorized and directed to furnish such information when requested by the Chairman or by the Vice Chairman when acting as Chairman.

THE WHITE HOUSE,
Washington, May 1, 1953.

The VICE PRESIDENT,
The United States Senate, Washington, D. C.

DEAR MR. VICE PRESIDENT: In the message which I sent to the Congress on April 7 requesting a 1-year extension of the present Reciprocal Trade Agreements Act, I referred to the need for a thorough reexamination of our whole foreign economic policy.

I now recommend that a commission be established to make this review. The review should provide the basis for action during the next session of the Congress.

It is my belief that the proposed Commission should be made up of Members of the Congress appointed by the Vice President and the Speaker of the House, and members appointed by myself from outside the Congress. It should be representative of both major parties. This is appropriate since commercial policy is an integral part of our total foreign policy for which broad national support is vital.

This Commission naturally should work within the framework of our foreign policy and our global defense plans. Close liaison should be maintained with the group set up under the auspices of the State Department to follow up the economic and financial talks held earlier this spring between the United States and various European countries.

The Commission should study all existing legislation and the regulations and administrative procedures stemming from it which bear directly on our foreign economic relations. This review should seek to determine how these laws can be modified or improved so as to achieve the highest possible levels of international trade without subjecting parts of our economy to sudden or serious strains.

An inquiry of this nature is imperative. The economic policy of this Nation exercises such a profound influence on the entire free world that we must consider carefully each step we take. Changes in foreign economic policy—even those which at first have relatively slight consequences within this country—may either strengthen our allies or plunge them into a downward spiral of trade and payment restrictions, lower production, and declining living standards.

Our foreign economic policy also has important implications here at home. Declining imports will necessarily mean falling exports, resulting in a serious loss of markets for our agriculture and other industries. Expanded imports may require some adjustments in our country. We must make sure that changes in foreign economic policy consonant with our position as the world's greatest creditor nation do not benefit particular groups at the expense of the national welfare, but we must also make sure that such changes do not place unequal burdens on particular groups.

As I indicated in my previous message, the achievement of a strong and self-supporting economic system in the free world, capable of providing adequate defense against aggression and of achieving rising standards of living, must be a cooperative effort. Through increasing two-way international trade and stimulating in every practical way the flow of private investment abroad we can strengthen the free world, including ourselves, in natural and healthy ways. By so doing, we can lessen and ultimately eliminate the heavy burden of foreign aid which we now bear. Both we and our friends abroad earnestly desire to see regular trade and investment replace grant assistance.

In launching a broad-gage study into the question of what our foreign economic policy should be, I think we can prepare the way for a fuller utilization of the economic strength of the free world in the cause of peace and prosperity.

Sincerely,

DWIGHT D. EISENHOWER.

