Excerpts From Baruch Statement on the Marshall Plan

By The Associated Press.

WASHINGTON, Jan. 19—Fellowing are excerpts from Bernard M. Baruch's statement to the Senate Foreign Relations Committee today on the Marshall Plan:

June 23, 1949, we produced for peace as we produced for war—an all-out—without interruptions, strikes, lockouts, or profit scrambling—man's whole lot and outlook would be magically lifted.

Work—production—thrift—must be fittingly rewarded.

But dollars alone will not save the world. I would like less emphasis this in the program on the mere giving of money and more on rewarding greater production.

To this end I recommend:

1. The United States stand ready to buy all non-perishable raw materials produced anywhere and by anyone in the world for the next five years, and which cannot find normal commercial markets:

minerals, metals and ores, both crude and refined; jute; sisal; etc.; yes, even wool and cotton.

Also up to 780,000 tons of crude rubber. This should be a part of the European recovery legislation.

2. Extend the President's present tariff authority for the next three years.

3. That the countries of Europe—be they neutral or enemies—commit themselves to a political, economic and defense union under the United Nations. This should be made part of the European recovery legislation.

4. That the United States, and such others as will join us, mutually guarantee the nations entering this union against aggression. By guarantee I mean a firm promise to go to war in joint defense if any of them are attacked.

5. That the nations of Europe organize to liberalize and use their productive resources of the continent, with those of the Ruhr regulated under priorities and international control, to determine which are post-poneable; also where Government controls are being imposed.

6. That the United Nations, and such as will join us, undertake a European recovery program which will include the lowering of trade barriers among them.

7. That the United States and other nations, and such as will join us, use our gold as a war loan. The American people might have a preference on the productive labor of the world.

8. A two-year peace production drive in this country—where feasible, with longer hours and overtime; where not, to smash production bottlenecks.

9. As part of this work-for-peace drive, an across-the-nation anti-inflation program to stabilize for peace, including:

A. Reduction of major food and agricultural prices and a change for guaranteeing farmers an assured price for their products.

B. In return for this rollback, stabilization of wages.

C. Reduction of the excess profits tax by 50 percent of the cut from war levels, with wartime amortization for new plants.

D. Continued rent controls, with provision only for clearly justifiable increases.

E. Postpone tax reduction for two years, after which a five year orderly reduction of personal and corporate taxes combined with the systematic, substantial lowering of the national debt is a terrible threat to our security.

F. Put off all less essential investment, Federal, state, and municipal projects, giving priority to increasing production, housing, schools, hospitals and other more essential needs.

G. Set up a capital issues/committee, with advisory powers, under the Secretary of the Treasury, to review all capital issues, public and private, and determine the essential projects. The Governors of each state should appoint committee to make recommendations.

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The foundations of economic stability in the world—without which peace must continue to elude us—can be brought into existence inside of two years, there being one to avert the two dangers—economic and defense.

Baruch