

# TEST OF PRESIDENT'S POWER: COMING BATTLES IN CONGRESS

## Trade Agreements, International Commitments as Trouble Spots

**Prospect that party strife will force an early end to legislative-executive truce**

A test of the apparent good feelings between Congress and President Truman is close at hand. At a moment of critical change, all groups rallied behind the new President. Varying elements of both parties assured him of their support. A spirit of unity was put on display. But what Mr. Truman has is a truce, not a permanent peace. The deep, underlying, economic differences that divide Congress have not been altered.

These differences already are surging to the surface in various committees that are considering a series of plans for handling foreign trade after the war. The plans involve a World Bank, currency stabilization, loans to foreign governments and their nationals, tariffs and specific trade programs.

They are a part of the legacy that Franklin D. Roosevelt left to his successor—a program that was evolved to implement the world agency that is to be created at San Francisco. Diplomats say the United Nations organization that comes from San Francisco is only the dry-boned skeleton of an organism to keep the peace; that the economic treaties are the flesh and blood that will make international good will a living thing. And Mr. Truman has promised to carry this fight through.

**Historic battleground.** Mr. Truman enters the fight with his ears filled with words of good will. His own party is well united behind him. Republican delegations have visited him to offer their co-operation. He is of Congress, and knows its problems. He has many close friends on Capitol Hill and is well liked generally there. But he knows well that friendships do not dictate the results of partisan political battles.

Much historic combat of the past has circled about the problems of foreign trade. Important financial interests have privileges at stake in the measure for a World Bank. For much of their history, both parties have divided over the tariff issue. And, at each step along the way to world cooperation in aviation, oil, communications, shipping and other economic matters, some domestic interest will be trod upon.

Moreover, in the background lies the as yet unspoken thought on Capitol Hill

that, if Harry S. Truman does a good job as President during the next three years, he will have a strong—all but certain—claim upon the 1948 nomination of the Democrats to be President in his own right. And the issues of the 1948 presidential campaign will be drawn from the battles that lie ahead. Even more imminent are the congressional elections of 1946. Whatever may be the Republicans' will to

Mr. Truman will pick up the program his predecessor already had outlined for this Congress and go ahead with it. No new legislation is on the horizon at the moment. But all are convinced that tax and full-employment measures will be required as the Government turns the corner from war to peace.

As the program stands now, the topmost items are appropriation measures for the



—Harris & Ewing

**PRESIDENT TRUMAN ON THE HILL**  
With Senators Ferguson, Burton, Connally, Brewster  
... for the White House a truce, not a peace

co-operate with Mr. Truman, his elevation to the Presidency does not diminish their wish to capture control of Congress.

**The program.** President Truman is working far more closely with the congressional leaders of both parties, however, than Mr. Roosevelt ever did. Both Republicans and Democrats know what legislation he has in mind for Congress. He has gone over the program with them. And there is the expectation in the future that he will discuss his plans with the leaders of both parties, achieving agreement wherever possible, but fighting with the Republicans when necessary.

conduct of the war, economic treaties to implement the United Nations organization, and the security agency plan that is worked out at San Francisco. The prospects for those measures are:

**War appropriations** will get ready approval from Congress. The conduct of the war is not a partisan matter. It was not under Mr. Roosevelt, and it will not be under Mr. Truman. Money needed to carry out the plans of the military and naval chieftains will be provided promptly.

**Domestic appropriations** will be provided with about the same readiness. There will be less disposition to quibble here than



there would have been if Mr. Roosevelt had lived. The same personal animosities and suspicions that some Congressmen directed toward Mr. Roosevelt and his administrators do not apply to Mr. Truman. The new President starts with a clean slate, unburdened by the enmities that 12 years of action had piled up for his predecessor.

**International Bank.** The International Bank for Reconstruction and Development, envisaged in the Bretton Woods plan, is likely to go through Congress with but little change. Here, again, the clean slate with which Mr. Truman starts will be helpful. Old enmities and suspicions do not stand in the way.

**Johnson Act.** The old law forbidding loans to foreign nations and their nationals if those countries are in default on the debts that they owe to the U. S. from the first World War is bound up in the Bretton Woods plan. The signs are that repeal of the Johnson Act will go through.

**Currency stabilization.** The International Monetary Fund, which the Bretton Woods plan would create to stabilize currencies, is likely to be altered to allow the International Bank to lend money for stabilization purposes. These loans might be made either to a country or to the Fund, itself. With this change, the prospects look favorable for adoption of the Bretton Woods plan.

**Export-Import Bank.** To broaden the base of international credit, the Export-Import Bank will be used. Proposed is an increase in the lending powers of the Bank. Few doubt that Congress will approve this change. The Export-Import Bank and the International Bank will handle the postwar financing which Lend-Lease—the first big bill signed by the new President—is forbidden to do.

**Selective Service extension.** Continuance of the draft law falls into the same category as war appropriation measures. Efforts will be made to limit the use of 18-year-olds in combat, or to fix a period of training for them. But, aside from this, the measure will be extended with little change.

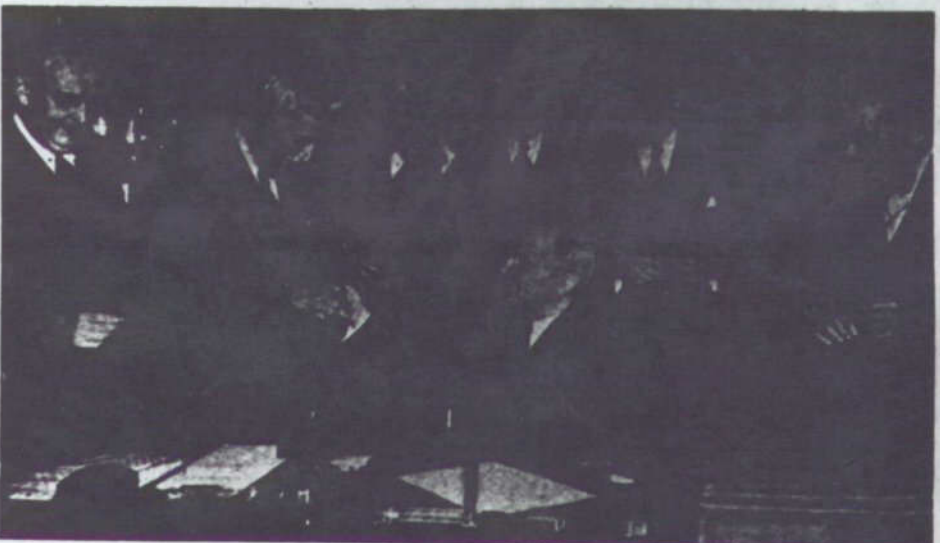
**Trade agreements.** The first big fight of President Truman with Congress will come on the proposal of Mr. Roosevelt that the President be given the power to make another cut of 50 per cent in the rates of the old Smoot-Hawley Tariff Act in exchange for trade benefits granted the United States by other countries.

The Administration is fighting hard for this power. Diplomats feel that other nations will have less faith in the willingness of the United States to work for economic peace if this permission is withheld. Many officials have urged the House Ways and Means Committee to approve the measure. Even aging and ill former Secretary of State Cordell Hull, father of the original



#### FIRST CHAPTER

One of President Truman's first acts in office was to sign the Lend-Lease Extension Act, then turn over to the witnesses as historic souvenirs the pens used in the ceremony. Behind the Chief Executive, left to right: Senator Vandenberg, Representative Eaton, Senator Connally, FEA's General Counsel Cox and Administrator Crowley, Secretary of State Stettinius and Representative Bloom.



Trade Agreements Act, sent in an appeal from the Naval Hospital at Bethesda, Md.

Republicans are arguing that no one can know what sort of trade conditions will prevail after the war. They are suggesting a simple one-year extension of the Act, instead of three, as asked by Mr. Roosevelt, and are lining up almost solidly against any broadening of the authority. Some Southern and Western Democrats, whose States produce goods that have been affected by trade agreements, are joining them.

But, with so much at stake in the gamble for world peace, there still is some hope of evolving a compromise that would give the President power to make tariff cuts deeper than he now can make, but give Congress a veto power over those cuts.

**Closer liaison.** In the fighting days ahead, Mr. Truman will emerge as the po-

litical captain of the Democrats. Ready or not, that job is being thrust upon him, and what he does with it will be the measure of his own success in 1948.

This aspect of his task weakens his hold upon the Republicans. But a part of Mr. Truman's strength lies in the fact that he is a friendly man, liked by men of both parties.

The new President will work more closely with Congress than Mr. Roosevelt ever did. Mr. Roosevelt came to power at a historic low spot in congressional prestige. Mr. Truman comes in when Congress is clamoring for a bigger part in the Government. He knows Congress and sympathizes with its wishes. He is willing to co-operate in giving it a broader hand. But he knows, too, that there are battles ahead.