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CONGRESSMAN'S REPORT

By Morris K. Udall

FOREIGN AID: DOES IT DO ANY GOOD?

The smoke on Capitol Hill these days is probably generated by the annual battle over foreign aid. I jokingly told a Southern congressman last week that there was a move afoot to expel his state from the Union and he replied: "Splendid, maybe then we could qualify for foreign aid!" Foreign aid recipients don't vote in congressional elections and there is little enthusiasm for the program except as a possible contribution to national security.

President Kennedy is asking for \$4 billion during the next 12 months to shore up the military and economic position of our allies and "underdeveloped" countries. This is about the same level budgeted by Mr. Eisenhower.

About \$1.8 billion would supply arms and other MILITARY needs for these nations, and \$2.7 billion is slated for roads, power plants, dams, schools, water systems and for sending American food, teachers and technicians to aid in raising the economic level of these nations.

America's foreign aid program has wide support from leaders of both political parties. It is backed by such diverse groups as the National Chamber of Commerce and the AFL-CIO. The recent encyclical of Pope John XXIII supports such aid as do statements by leaders of other faiths. Our military chiefs say foreign aid will help the Defense Department in its task.

With such broad support, why the row in Congress?

A small but vociferous minority opposes ANY foreign aid. Others are opposed to specific aspects of the program. This year their opposition is concentrated on "back door spending," the label applied to the new long-range planning approach to the foreign aid program.

The State Department contends that much of the waste and inefficiency of past foreign aid efforts stems from a lack of such planning. Under year-to-year planning nobody can be sure whether or not a dam started this year would be finished five years hence, or never.

In its campaign for five-year planning the administration is supported by former Vice President Nixon and other Republican leaders as well as by groups intimately acquainted with business efficiency -- such as the Chamber of Commerce. But they don't all support the administration's financing plan.

The President asks to finance the long-range plan by authority to borrow from the U.S. Treasury up to \$900 million this year and up to \$1.6 billion in each of the next four years. This money would be used for dams and other long-term development projects. Funds would be LOANED, not given, to countries and repaid in U.S. dollars.

Actually, this kind of financing is not new. The first such authority was requested by President Hoover when he established the Reconstruction Finance Corporation. Borrowing authority is presently used by more than 20 federal agencies including the Small Business Administration, Housing and Home Finance Administration, REA, and Veterans Direct Loan Program. Under either method of financing (direct appropriation or borrowing authority) Congress must authorize the spending of the money.

President Eisenhower asked for the same long-range financing principle in 1957 and 30 Republican senators including Mr. Dirksen, now GOP minority leader, backed him. Senator Morton, former GOP national chairman still favors this principle and chides his Republican colleagues for reversing themselves.

WASTE IN FOREIGN AID

I've just finished reading "A Nation of Sheep" by William Lederer, co-author of "The Ugly American". Mr. Lederer, along with a host of other observers, paints a vivid picture of mismanagement in our foreign aid program. Somehow, this nation of tremendous managerial genius has failed to produce an effective system for dispensing overseas aid. Maybe we can find the needed talent, but I am deeply concerned.

Unless we can solve this management problem in the near future I will seriously consider voting to end or drastically curtail this expensive program.

After an agonizing study I've reached this position in my thinking:

1. I'm dubious about the effectiveness of foreign aid.
2. But, leaders of both parties, heads of many responsible organizations, our military leaders, our President and two ex-Presidents, say we need to spend this money if we are to hold back and defeat the Communists.
3. If they are wrong and \$4 billion is wasted we are out some money.
4. If they are right, AND WE DON'T APPROPRIATE THE MONEY, we may not have the allies or the strength to win if war comes.

This year we'll spend nearly \$50 billion for national defense. The foreign aid program is another 10 per cent for national security "insurance."

I don't want to vote for foreign aid. But, for our safety's sake, I'm afraid not to.