

THE NATION'S FUTURE

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NBC TELEVISION

"ARE THE ADMINISTRATION'S FOREIGN AID PROPOSALS SOUND?"

MODERATOR: Edwin Newman

GUESTS: Sen. Hubert H. Humphrey  
Sen. Bourke Hickenlooper

NEWMAN: This is Sen. Hubert H. Humphrey, Democrat, of Minnesota. Sen. Humphrey believes that the Administration's proposals on foreign aid are sound.

This is Sen. Bourke Hickenlooper, Republican of Iowa. Sen. Hickenlooper believes that a number of the Administration's proposals on foreign aid are not sound.

ANNOUNCER: Tonight a debate from Washington, D. C. Another in a series of important debates on THE NATION'S FUTURE. Our subject: Are the Administration's Foreign Aid Proposals Sound? Our speakers: Sen. Hubert H. Humphrey, Democrat of Minnesota; and Sen. Bourke B. Hickenlooper, Republican of Iowa. In our audience members of Congress, the press, the general public.

And now here is our Moderator, noted newsman, Edwin Newman.

NEWMAN:

Good evening. Shall Congress appropriate the billions of dollars for foreign aid that President Kennedy has requested? Shall the Administration be permitted to commit almost nine billion dollars over a five-year period for assistance to underdeveloped nations without annual appropriations by Congress? Those are the two questions that are at the heart of the controversy that now surrounds the Administration's proposals on foreign aid. Supporters of the proposals argue that the money requested is vitally needed and that the long-term financing is needed to put our economic assistance to underdeveloped nations on a solid and practical basis.

Opponents of the proposals find the money requested excessive and the proposed method of financing an abridgment of the power of Congress.

Our first speaker, Sen. Hubert H. Humphrey, supports the Administration proposals. Sen. Humphrey is Majority Whip in the Senate and a member of the Senate Foreign Relations Committee. He has served as Senator from Minnesota since 1948. Sen. Humphrey, may we have your position, please?

HUMPHREY:

Yes, Mr. Newman. You have, in the posing of the question, have stated my position. I do support in the main the Administration proposals for

HUMPHREY:  
(CONT'D)

foreign aid. I say that, in the main, because obviously every member of Congress reserves unto himself the prerogative of making some adjustments and some amendments as he deems desirable. The Committee on Foreign Relations did make some changes in the Administration's foreign aid program. They were very modest. They were not fundamental. The Administration's foreign aid program was, I think, characterized as to its motives and its objectives by Pres. Kennedy in his Inaugural speech when he outlined the motives of our foreign aid program. And I would read just one paragraph of that speech. He said: "To those peoples in the huts and the villages of half the globe struggling to break the bonds of mass misery we pledge our best efforts to help them help themselves for whatever period is required, not because the communists may be doing it, not because we seek their votes, but because it is right."

I believe that that is the most persuasive statement as to the philosophy and the purpose and the motive of the Administration's foreign aid program that can be made. We are doing it because we want to help. We want to help people help themselves. We are doing it, we are extending foreign aid because we believe in social progress, in political stability, in social reform. And we are

HUMPHREY:  
(CONT'D)

not merely doing it because we are fighting the communists, even though that is good enough reason within itself. We are doing it because we are pro-people, pro-freedom, and because it is right.

Let me outline just what some of the foreign aid program is. First of all the essential feature of it that is different from some of the past is the long-term authorization or funding of what we call the Development Loan Fund, a five-year commitment of monies to be expended on a loan basis, banking principles, repayable in dollars with interest. Now the Eisenhower Administration sought a three-year extension, so this is not novel. The difference is in the number of years. We also seek to reorganize the foreign aid program in terms of its administration, placing, I think, better administrative controls over the program to maximize its influence and its effect. Many people will say, well, this is a very extensive foreign aid program, it is very costly. It runs to \$4 billion, 326 and a half million. As a matter of fact, in 1949, '50, '51, '52, '53 and up to '54 we had a bigger foreign aid program than that. In 1948 with the Marshall Plan our national debt was 96 per cent of our total national income. And now our national debt is only 57% of our national income. As a matter of fact, this total

HUMPHREY:  
(CONT'D)

foreign aid program is about one per cent or less than one per cent of our national income. This total foreign aid program over the entire decade if you put it over the whole decade at the present rate, would be less than one year of our defense budget. 80% of all of the money that will be appropriated and expended under this foreign aid program will be spent for goods and services and personnel in the United States. It is a good investment at home; it is sound national security, and above all, it is good international economics for a country that depends upon expanding production, increased consumption, and must rely upon a world in which there is a higher standard of living if we want peace and security.

NEWMAN: Thank you, Sen. Humphrey. Our second speaker, Sen. Bourke Hickenlooper, opposes some of the Administration's foreign aid proposals. Sen. Hickenlooper has served in the Senate since 1944. He also is a member of the Foreign Relations Committee and he is the ranking Minority member for the Senate on the Joint Congressional Committee on Atomic Energy. Sen. Hickenlooper, your position, please.

HICKENLOOPER: Thank you, Mr. Newman. I think in discussing the subject this evening, the announced subject, which

HICKENLOOPER:  
(CONT'D)

is, are the Administration's foreign aid proposals sound, I would have to differentiate between the philosophy of a foreign aid program and those provisions which are proposed to implement it in this year's program.

Basically I have supported mutual cooperation and foreign aid as a principle; I have been on the Foreign Relations Committee now for fifteen years. I supported the original Marshall Plan proposal, and I have supported the theory and the practicality of these proposals through the years. But that does not mean that supporting the philosophy and the theory of a program means that one must necessarily be an adherent to all of the proposals that come from administrative sources. It is characteristic of bureaucracies and it is characteristic of administrators that they seek more and more uninhibited power, unhampered authority, and they seek to shuck off the restraints of legislative examination from time to time. I do not accuse any particular administration of this more than another. It is inherent and characteristic in bureaucracies and in administrative procedure.

Now there are a number of features in this bill administratively which I believe are good. For instance, in theory, and I hope in practice, the

HICKENLOOPER:  
(CONT'D)

Development Loan philosophy and proposal in this bill is good. I have for many years supported and advocated a program of greater emphasis on loans, even soft loans, which will not become primary obligations against the credit of a nation but which will be loans that can be secondary obligations at some future time when the economy of that nation can stand its repayment. I have advocated those loans to the almost practical exclusion of grants because I believe grants do not create self-respect in those who receive them, and I believe loans with the prospect of repayment and at least the determination of the people who receive those loans to repay, contributes to self-respect, contributes to responsibility and contributes to increasing progress economically. Therefore, the development loan feature of this bill is good. I have supported also recently beginning last year, the Inter-American Bank loan which is the same principle and the same idea as the development loan feature of this bill, but the Inter-American Bank principle applies to Latin America so far as we are concerned.

I object to and believe wrong the so-called back door financing philosophy which gives the right to borrow from the Treasury annually for a five-year period without restraint from the Legislative body,

HICKENLOOPER: and I know that it can be said that of course the  
(CONT'D) Legislature always has the right and the power to cut off that borrowing power if they want to, but I call your attention to the fact that it takes two-thirds of the members of both Houses to do that over a Presidential veto if it happens to not coincide with the desires of the President. I believe that the use and the expenditure of public monies should be under the periodic scrutiny of the Legislative body as the Constitution contemplated. I see no reason why the Legislature, the national Congress, cannot act in the interests of the people in its periodic reviews.

NEWMAN: Sen. Hickenlooper, I must cut you off in the interests of the four-minute rule. If you want to conclude, please do.

HICKENLOOPER: Well--

NEWMAN: I should say the five-minute rule.

HICKENLOOPER: I do not know -- I am sorry. We will get into a discussion here on these matters and I think I can explain that.

NEWMAN: Fine. Thank you, Sen. Hickenlooper. We have time now for discussion, for rebuttal, cross-examination between Sen. Humphrey and Sen. Hickenlooper. Mr. Humphrey, perhaps you would begin?

- HUMPHREY: I would suggest the Senator proceed with his discussion because he was making a point and I believe it would be better if he could continue.
- NEWMAN: All right.
- HICKENLOOPER: Well, I will only make this point that there are many emotional reasons on the part of people of good will to say, oh, we should be tremendously generous, we should give of our bounty all over the world. We should take what we have and try to better the lot of people in the world. Those are emotional, humanitarian reasons, but I submit that in our own best interests we cannot do it without adequate supervision, without adequate check, without adequate knowledge on the part of the American people or we will financially destroy ourselves with that kind of procedure.

I do not mean to say that this particular program would financially destroy us, but that kind of procedure where the Congress of the United States abrogates its right to this periodic check and review and turns it over to the whim or the caprice, if one wants to use that term which is probably not exactly accurate, of administrative bureaus and bureaucrats. I think it is a step toward the destruction, if one may use that term of the three branches of government, and an abrogation of those

HICKENLOOPER: rights to the administrative end of government to a very great degree. It is a matter of principle as to administrative procedure and conduct and not an objection to the theory or to the humanitarian goals which we try to accomplish.  
(CONT'D)

NEWMAN: Sen. Humphrey.

HUMPHREY: Yes. I would like to comment on this matter and I surely want to make the record quite clear that Sen. Hickenlooper is regarded as one of the outstanding members of our committee on foreign relations, and our arguments here will undoubtedly be in some detail on details.

We both agree basically on the matter of foreign aid as an essential program. Now it is a matter of how it should be administered and the programs involved in foreign aid.

I believe that since this is an educational forum we might just as well make use of it for that purpose. A foreign aid program is more than just a title called aid. It represents, for example, grants of money, outright grants, gifts, what we call development grants. In this bill it runs \$380 million. Now that is authorized, 380 million. Whether we appropriate that much is yet to be known. Generally we do not. The authorizations

HUMPHREY:  
(CONT'D)

generally run higher than the appropriations. Those are grants for education, for health; those are grants for social betterment.

Then we have what we call investment surveys, to invest. We have surveys to find out whether or not capital investment should be made. This is the preliminary type of activity before monies are extended. We have development research as to the feasibility of a particular engineering project, for example. Then there is amount of money set aside for international organizations, the organizations that we deal with in the United Nations, for example. Sums of money, 153 millions of dollars. There is what we call supporting assistance in this bill. Now what is that for? That is to back up a country like Vietnam, for example, where a substantial amount of military aid goes and that you need with the military aid economic aid so that the country is not consumed by inflation, and supporting assistance is a grant of money that goes along with military aid.

Then we have the military assistance program in this whole matter of foreign aid and in this bill it runs a billion, 800 million dollars for two years, and most of that goes into the Asian areas and into some areas of our NATO forces, the

HUMPHREY:  
(CONT'D)

Turkish, the Greek areas of where we are strengthening NATO.

And then there is finally the contingency fund for the President of \$300 million. This is an emergency fund. It is out of this, for example, if some big crisis comes up that we did not contemplate that the President would have some authority. Now plus what Sen. Hickenlooper talked about, the Development Loan Fund.

Now the Development Loan Fund is exactly what the Senator said it was. It is a loan, it is a bank, it is a credit institution. It is a separate entity almost unto itself. It is subject to the policies of the Development Loan Board made up of the Secretary of State, the Secretary of the Treasury, the Director of the aid program and others. Banking procedures are used. It is repayable in dollars with interest. Both the Senator and I would agree that some of these loans might well be in what we call soft currencies.

Now the question is should you have the Development Loan on a year by year basis subject to the developments in the Congress -- and we sometimes go up and down like a child's fever on interest in this matter -- or should you program it over a long period of time? The former President, Mr.

HUMPHREY:  
(CONT'D)

Eisenhower, said we should program it over a long period of time. This President says we should program it over a five-year period of time. Some members say it should be only three years. I think five and I think the principle is that it ought to be for more than one year. Why? Because this provides greater planning and programming of your money. No business institution would plan just one year at a time. It programs. Now you say, well, is this new? And I will conclude on this. No, it is not new. The Reconstruction Finance Corporation had long-term, so-called back door financing. What it really means is borrowing from the Treasury rather than coming to the Congress each year. Commodity Credit Corporation, Export-Import Bank which makes money by the loans made. The St. Lawrence Seaway Development Corporation, Farmers' Loan Administration, Area Re-development Department, TVA, Rural Electrification Administration. What it really amounts to is that each year you must come before the Congress under what we call the Government Corporations Control Act, justify every expenditure that you are making, budget every item each and every year, but it does permit the administrator of the Development Loan Fund to tell Country X, look, we will loan you money and you can plan on a project for five years and we will pace it out over five

HUMPHREY:  
(CONT'D)

years and you can be sure of it. I say that is good business.

HICKENLOOPER: Hubert, let me suggest this, that I think there is a fundamental difference between some of these activities which we engage in solely within the United States and where we and the people can keep a close watch on them, see how they go, how they develop, and long-range programs which we in effect lose control over, over a long period of time at places far away from the United States and in foreign countries.

I think there is a very great difference in the responsibilities which adhere to the administrators. I think they have a great deal more latitude. I have seen so many operations in foreign countries -- now I do not mean to say that all of this program is wasted, but I have seen much inexcusable waste not only in planning but in expenditure of money in foreign lands. They are far removed from where the people can see them and it is only occasionally that these things come to light.

That is one of the reasons that I disagree that a five-year program or a substantial period of that kind where they can borrow without hindrance by the Congress is a bad principle. Now I

HICKENLOOPER: supported in the committee, I supported a motion  
(CONT'D) to limit the borrowing to two years. I did it reluctantly and on the theory if you could not get a good bill get just as not a bad bill as possible. My definite preference in what I would support would be an authorization extending over perhaps five years so far as the authorization is concerned, but with the annual review and appropriations by the Congress to see how this is going.

NEWMAN: Could I put a question here? Is what Pres. Kennedy is proposing, the five-year authorization, an unwarranted invasion of the rights of the Legislature?

HICKENLOOPER: Well, I suppose nothing is unwarranted if the Legislature approves it, the Congress. I believe it violates and is offensive to the philosophy that the Congress is the one charged by the Constitution with the guardianship of the purse strings and the expenditure of public money and the careful supervision over it. And we have even gone so far in the Constitution as to forbid the Senate from originating revenue measures because the House is the body that is closest to the people and the Constitution says revenue measures shall originate in the House.

NEWMAN: What is your answer to that, Sen. Humphrey?

HUMPHREY:

No, I do not believe that it is an undue invasion of the rights or prerogatives of the Legislative branch, and the reason I say it is first of all it cannot happen unless we say it does. As the Senator from Iowa said, we must authorize this, legislate it. And the Congress is very much aware that this is an established practice because we did outline and did pass into law the Government Corporation Control Act which requires that annually an agency that has this long term borrowing authority that we are talking about, must present to the Appropriations Committee of the Congress the budget program for its proposed lending operations for the coming year and obtain from the Congress authority to obligate those funds for the coming year. The Congress requires reports of all transactions quarterly, that is, four times a year.

We have exercised this authority with considerable success, may I add, in the Export-Import Bank, Senator, which loans outside of the United States, and we have been doing it. We have loaned \$11 billion, 400 million, and we have had less than nine-tenths of one per cent default, and we have actually made profit on the loaning operations.

Now one of the other reasons I am for this long-term lending is when you have it year by year --

HUMPHREY:  
(CONT'D)

and we have all been through this, the Development Loan Fund each year in order to justify next year's appropriation has to come up so the bank is empty. So about the last three months of each year there is a temptation to hastily obligate the funds remaining. You would not run a private bank that way.

HICKENLOOPER: Typical bureaucratic activity.

HUMPHREY: Therefore, may I say let us take the bureaucratic out and leave it with a normal businesslike activity, and that is what our administration is trying to do. That is what Mr. Dillon tried to do, what Mr. Dulles tried to do, what Mr. Herter tried to do, what Mr. Rusk is now trying to do as Secretary of State. That is what President Eisenhower recommended that we do, and I believe, Senator, you even voted for it once. Isn't that kind of right?

HICKENLOOPER: I think I voted for two-year extension one time.

HUMPHREY: I think about a three-year, wasn't it?

HICKENLOOPER: Well, I believe it was two years. I said a moment ago that as a compromise I voted for the two-year proposal, and I even voted for the three-year borrowing proposal.

HUMPHREY: We are coming closer.

HICKENLOOPER: Well, I could give you a reference to a situation now but I do not think it would be exactly proper. But, as I say, I voted for that in the hopes of cutting down what I believed to be the bad properties of a five-year, or the bad provisions of a five-year borrowing authority.

Now I want to say one thing about this long-range borrowing authority. We start out and give the department the right to borrow from the Treasury for five years a total of some \$8.9 billion I believe it is, almost nine billion dollars.

HUMPHREY: Total.

HICKENLOOPER: Yes, over the five-year period of time. But they can borrow each year. Now here is the difficulty, or one of the practical difficulties, not theoretical but practical. They go up to the end of this five-year period of time. They will with the bureaucratic zeal that exists so often, they will begin to commit the American government to long-range capital improvements in these countries, long-range construction, long-range topography alterations and all the rest of those things. We will come up to the end of the five-year period of time inevitably in my judgment and we will be so

HICKENLOOPER: committed with the money that is available that  
(CONT'D) we will have no other recourse under honor than  
to go on and continue it for an t er five or six  
years.

NEWMAN: May I put a question here perhaps that would occur  
to a taxpayer? Sen. Humphrey says under the  
present system the Executive end of the govern-  
ment seeks to empty that part of the Treasury  
devoted to loans each year. You say in effect  
under a five-year system the Executive branch  
would attempt the loaning treasury at the end of  
the five-year period.

HICKENLOOPER: Perhaps I did not make myself clear.

NEWMAN: How do we win in this one?

HICKENLOOPER: Well, so often the taxpayer does not win under  
some of these operations. But what I meant was  
that this money which is permitted to be borrowed  
every year, at the end of the five years all of  
this money will be loaned and committed, and it  
will be loaned and committed in many instances on  
such permanent and continuing projects as will  
make us -- well, at least the argument will be  
used that we are morally bound to continue this  
for five or six years, et cetera. I am not ready  
to concede yet that we will adopt as a permanent

HICKENLOOPER: part of a United States policy the establishment  
(CONT'D) and support of a worldwide WPA. And I just don't  
want to see that happen. I want to see the  
Congress keep track of this. I want us to see  
that we do our humanitarian part in the world. I  
want us to carry our obligations and I want us to  
use whatever power and authority we have to  
advance the cause of human dignity and the  
responsibility of man and free governments. But  
I want to be very careful that we are not wasting  
our money and that we do not get into a lot of  
projects which are in the long run unrealistic  
but which nevertheless may commit us by some man-  
ner as I have described to prolong this to an in-  
definite and an unforeseeable future.

HUMPHREY: Now I should like to make a little comment, Mr.  
Newman, about the worldwide WPA. We are not en-  
gaged in that at all. As a matter of fact, the  
only WPA part of this whole program if you want  
to use that analogy would be the development  
grants, the gifts. WPA was not a banking opera-  
tion. WPA was a relief operation.

I have never known any bank to be engaged in WPA.  
And may I say that of all of the many great indus-  
tries and pursuits of economic pursuits that seem  
to do well, banking does quite well, and we are

HUMPHREY:  
(CONT'D)

following banking principles here. We are going to loan money at interest, repayable in dollars at interest, repayable to the Treasury of the United States. And may I say to my fellow taxpayers, I am one too.

I think one of the nicest businesses to get into if you want to be in business is the banking business. It really works out pretty well. We have been in banking business in the government limitedly. The Reconstruction Finance Corporation took all the loans nobody else would take and made money. The Farmers Loan Administration takes loans that other people will not take, makes money.

The Export-Import Bank, \$11 billion, 400 million over many years since the 1930's takes loans that others do not take, supplements regular normal banking loans, makes money.

The Development Loan Fund even as it is currently operated has had no defaults. We have had to extend two loans but no defaults, and people have been paying countries on time with interest.

Now I would not want to deceive you. I think that if we gave a five-year authorization that we will have to come back later on for more, and I will tell you why. I have a feeling that this

HUMPHREY:  
(CONT'D)

fellow Khrushchev and somebody like him is going to be around quite awhile. I have a feeling we are going to be hard-pressed as long as I live and as long as you live. I doubt this struggle will be over in our lifetime. I only hope it does not blow up. I hope we have a chance to work our way out of it and furthermore, I think if we can make investments -- and that is what we are doing, this is not leaf raking, this is not going around picking up just blocks of wood and piling them up -- we are building businesses with this money, we are building roads, we are building capital projects that produce income and raise the standard of living. And what does this mean?

It means better sale of our goods, the movement of commerce. It means the repayment of loans with interest. It means a better society for the people that we help. It means lifting the world's standard of living. It is a fundamental part of our total struggle for freedom in this world and I do not think it is going to be over in five years, I am frank to tell you, I do not.

All I want to make sure is when we start on this program that we start on a sounder basis with sounder principles and, Senator, I think that is what we are doing with the President's foreign aid program.

HICKENLOOPER: Well, that is your theory.

NEWMAN: I am afraid we must stop there for a moment. We will go to our audience for questions and perhaps you will get a chance to reply then, Sen. Hickenlooper. But we will go to our audience for questions after this pause for station identification.

(Station Break)

NEWMAN: Welcome again to The Nation's Future. Our subject tonight is the foreign aid proposals of the Kennedy administration and their soundness. Our speakers are Senator Hubert Humphrey, democrat of Minnesota who says that the administration proposals are sound, and Senator Bourke Hickenlooper, Republican of Iowa, who says that some of the administration proposals on foreign aid are not sound.

Now, at this point we are going to the studio audience for questions. I would like to state very briefly what the rules are. If you have a question, please raise your hand. If I call on you, rise. Give your name. State to whom your question is addressed and put the question briefly. No speeches, please. Now who has the first question. This gentleman.

MR. STEWART ENNIS: I would like to address my question to Senator Humphrey. There has been a great deal of criticism of the waste and ill advised spending. Isn't there some way of preventing this?

HUMPHREY: Well, this is, of course, the hope and the desire and the objective of all of us who have any responsibility today in these matters. I don't think anyone has a monopoly on the desire for frugality or on the desire for prudence and economy. There is going to be waste in any program, particularly when it is as far-flung as this type of program where we are dealing with people all over the world as Senator Hickenlooper indicated. There is going to be some but we ought to minimize it and that's exactly what we are trying to do in the new foreign aid program. When you put it on a loan basis that is repayable, a good share of it, when you have got to repay it in dollars with interest, it has a tendency to eliminate waste.

Furthermore, may I add, the administrative structure we have revised. Each county will have what we call a country administrator responsible for all aspects of U. S. Government activity in that country relating to foreign aid and it will require a closer coordination of activities back through the central office in Washington, through the

HUMPHREY:  
(CONT'D)

regional office, into the central office under the Secretary of State to the President. Tighter, closer administration than we have ever had before.

NEWMAN:

Senator, would you like to comment on that?

HICKENLOOPER:

I don't quite go along with Senator Humphrey on that rather easy explanation of how we are going to eliminate waste. I don't believe it can be eliminated that way. I think you come nearer eliminating waste where the departments and the administrators who operate these programs must come before Congress and the appropriations committees and in detail, not only justify what they have done but justify the detail of what they propose to do in the coming year. I think where you give them a long range five year program, they have a tendency to sweep their mistakes under the rug and go along and hope that somebody, that nobody will ever find out about them. And I feel that there is that tendency in the long range financing where they are given a five year carte blanche to use this money within certain guide lines, of course, but only giving periodic reports. I think the annual scrutiny and very close scrutiny which the Appropriations Committee give their programs, both proposed and actual, is very helpful.

HUMPHREY: Mr. Newman, may we have a comment on this? I want to say to the Senator, yes, a billion 187 million dollars of development loan funds operates under long term financing but that 3 billion 139 million dollars in the foreign aid bill the Congress can scrutinize until it has pierced it with its eyes, until we have felt every penny of it. We have run out every little ounce of waste. We can go up the hill and down the hill and well, the other part of it is a banking program and one thing I will say for bankers, they are frugal. They are prudent. They are not wastrels. Now, we politicians may be. What I am attempting to do is to take out of the financing aspect of this program the political hand. I am attempting to leave it in the hands of the development loan fund board, a banking operation with banking principles, repayable with interest under careful scrutiny and observation and control of the executive and the legislative branch of the government plus the controller of the Government of the United States.

HICKENLOOPER: The trouble with that is you don't necessarily get bankers operating this thing; you have politicians operating this thing. I am not so sure that you will get the bankers.

NEWMAN: This gentleman here.

QUESTION: Senator Hickenlooper, since so much money is spent in the military service, isn't there some provision that could be made where we could have a unified purchasing for the joint military services and save money that way?

HICKENLOOPER: Yes, and that has been proposed and supported in Congress repeatedly for many years, beginning before the Unification Act. For some reason it always gets sidetracked some place in a maze before it gets through. I would thoroughly support such a measure. I have supported it. I think it is a sound suggestion and I earnestly hope that sometime it can be put into effect.

NEWMAN: It is an interesting point but not perhaps quite germane to this debate in this case. The two senators agree on it. The lady back there.

SUSAN WEISS: Sir, how can you have long term planning as most people agree you should have in foreign aid programs if you do not have long term financing, if you are dependent on shall we say the whim and caprice of Congress?

HICKENLOOPER: Well, I am not so sure that we should have a complete program of long term planning on many of these projects. I think the temptation to invade the long term planning field will be much greater

HICKENLOOPER: under the so-called development loan five year  
(CONT'D) borrowing program than otherwise and I am not so  
sure that it is good. I think there are certain  
long term planning programs and we have been in  
them and they work very successfully. The Indus  
River Valley, for instance, in the middle east and  
various other things. We have been in the long  
range program in various areas in the world and  
it has been under the annual appropriation  
scrutiny and it works out very well where the  
project is worthy and I think it still can keep  
on, but the temptation on the part of someone who  
has a checkbook on the American government is  
very great to just write a check on Uncle Sam or  
to agree to almost any proposal that at least  
looks good on the surface and let somebody else  
worry about its completion in the future. I  
think that that scrutiny should be maintained  
carefully.

NEWMAN: Next question; the lady there. Would you rise  
please.

MRS. JOHN AINSWORTH: Senator Humphrey, what are the prospects  
of having our foreign aid channelled through the  
UN before too long?

HUMPHREY: I think a good deal of it could be channeled  
through the UN and I think more of it ought to be

HUMPHREY:  
(CONT'D)

channeled through the UN and more of it is being channeled through the UN. For example, it is my view that much of the economic assistance to the African countries ought to be channeled through the UN because I think we need a multilateral approach. We have the United Nations Special Fund to which we make substantial contribution which does the engineering studies, you might say, the surveys as to the feasibility of certain projects. I support a certain amount of our funds going to a multilateral UN economic development fund. Of course, we have the World Bank which is an international organization which, by the way, has long term financing, long term planning and which makes money and which is a sound international instrumentality. It is under the basic charter of the United Nations. I think this kind of operation ought to be supported and we have many other activities, technical assistance, UNICEF, the World Health Organization and so forth. So that we are doing more and more through the UN and I think we ought to do more and more, particularly in some of the areas in the world in which we ought to seek to keep out the cold war competition and attempt to bring within it, I think the warm heart of our compassion on the one hand and the sound economic philosophy

HUMPHREY:  
(CONT'D)

that we can impart to some of these countries in terms of economic assistance.

NEWMAN:

Senator Hickenlooper, do you want to comment on that--putting more aid through the UN?

HICKENLOOPER:

We are putting a substantial amount of aid and cooperation through the UN at the present time. We have certain technical cooperation programs operated by the UN. We contributed to them within reasonable limits but I certainly am not going to turn over all the American dollars to the UN and let it to their tender mercies on the way they will operate it. I think if it is our money, the great bulk of it we should be sure that it goes to the purposes which will contribute to the basic philosophies which we believe in; that is, the dignity of man and self determination and freedom and will not be like this organization that the Commies took over at the close of World War II where we furnished all the money and they got all the credit in Europe at that particular time.

NEWMAN:

Senator Humphrey, how do you feel about the proposal of Senator Dirksen to have a watchdog committee operating on the long term development loan fund, a congressional watchdog committee?

HUMPHREY:

I think it has merit. I haven't seen the fine

HUMPHREY:  
(CONT'D)

print and as a Senator, without quite as many years seniority as my esteemed colleague here tonight, I have learned at least that you ought to look for the fine print. But in the main, the thought, the proposal, I believe, has merit and particularly as you enter upon what we call this long term development loan fund authority. We had something like this under the days of the Marshall plan. I believe it worked rather well and I do believe that there is a necessity to tie the Congress in as much as possible in a type of auditing and overseer approach to these programs.

HICKENLOOPER: If I may comment on that. I have seen the fine print.

HUMPHREY: You see, they didn't let me in on it --

HICKENLOOPER: I don't know where you were but it was going around on the floor --

HUMPHREY: On your side.

HICKENLOOPER: -- yesterday. No, I saw some majority members that had it, too. But in the main, it proposes the creation of a joint committee with an adequate technical staff that will have for its continuing duties the thorough study and analysis of these programs, the way they are carried on and to make suggestions as a result of these examinations by

HICKENLOOPER: this highly competent professional group as to  
(CONT'D) this program. I am thoroughly in favor of it and I say that if a program of this kind for such a competent watchdog committee over this far flung and very often loosely operated and inefficiently operated program, if that kind of a watchdog committee can be successfully set up, it would mitigate a lot of the objections which many people have to some of these activities.

NEWMAN: What is your impression, Senator? Will the foreign aid program be passed as the Kennedy Administration has proposed? Senator Hickenlooper?

HICKENLOOPER: That's hard to say. You have got two houses of Congress over there and it is hard to predict what your own house will do to say nothing to going over to the other one and saying what they will do. But I think there will be some changes in this bill before it is sent to the President for his signature. Now I think there will be a very definite contest on the question of this five year borrowing provision. I think there will be some contests and some amendments on some of the strictly mutual aid contribution features, perhaps in its administration provisions and perhaps a number of others. There may be some fights on the total amount, that is, there may be

HICKENLOOPER: assaults on the total amount and it may be cut  
(CONT'D) down. It is very difficult in these tense times  
and especially with the international tensions as  
they are to make as accurate a prediction as one  
might have made a year or two ago on the success  
of a bill.

NEWMAN: What is your impression, Senator Humphrey? Will  
the President get his five year lending authority?

HUMPHREY: I believe that in the main outlines, the main  
provisions of the administration's foreign aid bill  
will be adopted. I believe that both of us as  
rather long term members of the Congress would  
recognize that there are amendments adopted.  
There are frequently some details that are changed,  
but the broad concept, I think, will be there.  
Whether we will be able to hold five years through  
two houses I don't know. I would say not less  
than 3 years. I want to make that quite clear.  
One other thing I want to make quite clear is  
that I am quite relieved tonight to know that if  
this watchdog committee should be perfected that  
it would sort of be a political palliative, that  
it would sort of remove the pain that some people  
seem to feel in this bill and I have taken a new  
interest in the committee, but I know that it has  
genuine merit. May I add this, that I, too, want

HUMPHREY:  
(CONT'D)

to see this program administered very well and I have been a tough critic of the program. I think there have been times that there has been sloppy administration. There is no excuse for this. We need the best this country has in this program. We need the best administrators, the best people, and if I had my way about it when this program went into effect, I would ask every top officer that has had anything to do with the aid program to hand in his resignation and then to be screened back again to be looked over once again as to what the program, as to how to operate this program, because there are some new concepts in this program.

HICKENLOOPER: Hasn't that been going on since January the 20th?

HUMPHREY: Not exactly. May I say this is one of the things that hasn't happened and I am not being particularly critical of any individual but we do know that there are some areas in which what we call the mission directors, the job has not been done well. We need people to direct these missions overseas that are competent managers, know administration, but above all, are imbued with the philosophy of the program and what is the philosophy? Self-help. Promoting of economic and social reform. Building viable societies, seeing to it, my fellow Americans,

HUMPHREY:  
(CONT'D)

that this foreign aid just doesn't get on top to help those who already have been scooping off the cream but that it gets down to the people. This is one of the reasons that some of us want to see this program administered by people who will follow it through with meticulous detail to see to it that peasants, farmers back in the hills get a chance to have a better living, to see to it that students, that ordinary people have a better chance to have a better living and much of our foreign aid, regrettably in some areas of the world, in some areas of the world has been sort of just spooned off the top the cream for the already rich and the poor have little or nothing. Now this has got to stop and this is what is meant by the Alliance for Progress. This is what the President meant when he said we have got to do something about the huts and the villages and this is what we mean by self-help and I think we can make this program work. We ask your help in doing it.

NEWMAN: I would like to go back to the audience for questions. The gentleman there.

MR. WILKINS: My question is directed to Senator Humphrey. In relation to what you just said, will this foreign aid program continue to perpetuate dictatorial

MR. WILKINS: governments such as the one in Haiti where 50  
(CONT'D) per cent of its budget is paid by the American  
government?

HUMPHREY: Not if I have my way it won't and I want to make  
it quite clear. I do not think we ought to have  
these foreign aid funds going to countries where  
we know there is open corruption, dictatorship  
that violates every rule of reasonable conduct.  
Now, I know what is going to be said. Somebody  
is going to say: don't we have to deal with all  
kinds of people? Yes, sometimes we have, with  
military assistance or some program to deal with  
some country we don't like to deal with but we  
have a quid pro quo--we get certain amounts of  
divisions in the front line or we get some kind  
of cooperation that helps us in our national  
security. I don't believe that's sound practice.  
I believe the soundest practice is to use American  
funds and American technical know-how to help  
people help themselves to provide for an oppor-  
tunity for freedom and better living.

NEWMAN: Senator Hickenlooper, do you want to comment on  
that?

HICKENLOOPER: The only comment I am going to make is, of course,  
we don't advocate the support of dictators. We  
feel with countries where the existing government

HICKENLOOPER: is there, we try to guide them if possible along the line to better responsibility in self-government but I have been in a quandary for a long time as to where you would go outside of let's say outside of Europe where you would go that didn't have some measure of dictatorship in just more or less degree. Now just which dictator do you like and which dictator don't you like? We almost have to deal with governments and hope that they will move toward freedom and self determination but you are full of dictators in the world.

HUMPHREY: I think the point is social reform and as we have said, some semblance of social progress and I don't want the record to be misunderstood here. In Latin America, for example, we frequently talk about all the dictators, but they are not all dictators. I want it quite clear there are very few dictators left in Latin America. The people of Latin America today have done a tremendous job of lifting themselves into parliamentary government. Down in Chile, in Peru, in Colombia, in Ecuador, in Venezuela, Brazil, in Uruguay, in country after country there are going parliamentary institutions and they need our support and we ought not to brand them all as little dictators because they are not.

NEWMAN: That lady there has a question.

QUESTION: Senator Hickenlooper, how do you explain the great backing that was given to the International Bank appropriation five hundred million dollar fund which is a long term financing borrowing project and the opposition that you and other senators are now expressing to the development loan fund program?

HICKENLOOPER: Well, if this were the question of an appropriation or an authorization for this bank to borrow nine billion dollars at this time, it would be certainly a different proposition than to extend over a five year period into the unforeseeable future this borrowing authority. Now, we would not, of course, authorize the borrowing of nine billion dollars for one year. I don't think you could have a chance to get that through Congress. The five hundred million dollars was something where the utility of that money could be foreseen, where Congress was willing to appropriate it. At Bogota last year the general program was outlined, the statement of the approximate amount to originate this was delineated and there was a general acceptance and this year the Congress authorized it--they appropriated it--it was already authorized but we could see what we were

HICKENLOOPER: doing. We could see the application of it. But  
(CONT'D) the nine billion dollars you can't see what is  
going to happen with it.

NEWMAN: The lady there.

QUESTION: Question for Senator Humphrey. Can we really  
afford to put up the money that President Kennedy  
has asked for and will receive for defense of  
Berlin and put up the money that he has asked for  
for foreign aid and put up the money that he has  
asked for for federal aid to education all at the  
same time?

HUMPHREY: Yes.

QUESTION: Can we really do that?

HUMPHREY: Yes, very definitely. I not only think we can,  
I think we must. This morning I had before a sub-  
committee of which I am chairman the top research  
specialists of this government in the field of  
scientific research that are responsible for the  
safety of this nation and the conclusion of every-  
one of these brilliant men before us, many of  
them in the military, many of them civilians, the  
conclusion was that the future of this country  
depended in the main upon the great reservoir of  
educated skilled people that we had for the days  
yet to come, for the projections of the future.

HUMPHREY:  
(CONT'D)

So education is as much a part, may I say, of defense as the shield that we have today of our modern military establishment.

I tried to say something about that--may I say to the lady--in my opening remarks. Mr. Dillon, the Secretary of the Treasury and, by the way, a banker and, by the way, a Republican and in this administration and in the previous administration, said recently the tax revenues in fiscal 1962 under their estimates will be 90 billions of dollars and with this revenue he said that we can pay for all the additional defense spending that is required and that the President has recommended; all that is required in the foreign aid and required in the domestic program and we would still have money left over after paying these expenditures.

I point out to you that in 1948 at the start of the Marshall Plan which, by the way, was a long term commitment, at the start of the Marshall Plan our national debt was 96 per cent of our total national income. Last year our economic aid program was 57 per cent--our national debt was 57 per cent of our national income. Foreign aid money in this new program will be less than one per cent of our total national income. In 1948

HUMPHREY: it was 2-1/2 per cent, 2-1/2 per cent.  
(CONT'D)

HICKENLOOPER: Let me just disagree with you. On the Marshall plan, I don't recall that it was a four year commitment. It was testified that it probably would take about four years with this kind of help to get Europe back on its feet with their own contributions but we did not appropriate nor did we authorize the borrowing of this money for a four year period, but we recognized that the four year period was about the time it would take to do this job and it proved fairly accurate and Congress went along each year on its appropriations for that purpose, but the Congress kept pretty careful track of what was going on.

HUMPHREY: And the Congress should do that, Senator.

NEWMAN: Next question. This gentleman. Will you come as far to the front as you can, please.

SANFORD GOTTLIEB: Senator Humphrey, what kind of social reform is the administration going to ask the recipient nations to engage in?

HUMPHREY: Let me just attempt to answer your question by reference back to a previous question which relates to yours; namely, the Inter-American Bank, the so-called Alliance for Progress in the Inter-American Bank that is taking care of the financing

HUMPHREY:  
(CONT'D)

of some of these projects. Under the Act of Bogota from whence the international bank program, the Latin-American bank program came, it was laid down, the principles were laid down there as to how we should extend aid through this bank and one of those principles was that there should be tax reform in the recipient countries, that there should be an effort at social reform, land reform, for example, that there should be an effort to raise the standard of living, to cut down on interest rates, doing away with usurious interest rates. These are some of the reforms that we are asking be undertaken by the recipient governments, particularly in Latin-American areas and we have tried to apply those same principles very broadly in other areas of the world but there was considerable debate in the Congress as you know over the loaning of monies that would go into mutual savings or into what we call credit unions or going into the savings and loan associations for reloaning to make sure that American money that went into Latin-American savings and loan associations for reloan to Latin-Americans would not be loaned at usurious rates, so that we wouldn't be accused of literally profiteering off the sweat of the common people. Now we are taking measures to do something about that and we are

HUMPHREY:  
(CONT'D)

trying to insist upon elections and electoral reforms as best we can. It is a matter of degree but I really believe that the effort that is being made thus far is paying off.

HICKENLOOPER: I think those goals are worthy ones and we can all agree that they are worthy. I think we have been trying to do that for years in a lot of these countries and it all gets down to the point, do they have the urge within themselves to better themselves and it hasn't worked out quite so well in some countries as we had hoped. Now to answer Mr. Gottlieb's question a little further as to what would they do. It just happens that about two weeks ago the representative of a foreign country who was here--this is one of the African countries--here seeking American dollars. Several of us had lunch with him and his party and I asked the question at that time, I said, "Will you tell me what you expect from us and what may we expect from you?" I said, "I want to make myself clear. I am not talking about repayment in cash. I am not talking about repayment in goods. What may we expect from you by way of the orientation of your social and political philosophy toward dignity, individual rights and the general attitudes of freedom which we consider in the west to be sound?"

HICKENLOOPER: He became very irritated. He spoke French and (CONT'D) through the translator he said, "It is not a question of what we should do and you should not ask it. You are a rich country. You are obligated to give us this money from the joy of giving." Those are the words he used. He said, "We will make no commitments and we will have no understanding but you as a rich country are obligated to do this for us," and he said "I want to make that clear." And I didn't pursue the matter any further but I thought, well, there may be a few other things that ought to be made clear to you, mister, in connection with this operation. But I agree that we should have as an objective the inducement in all reasonable ways or the urging and the cooperation in all reasonable ways to see that these people understand the meaning of freedom, that they understand the meaning of human dignity and individual responsibility, and I believe if they deserve continued help they should begin to orient themselves along those lines.

NEWMAN: Thank you, Senator Hickenlooper. Thank you Senator Humphrey. The Nation's Future tonight has been debating the proposals on foreign aid of the Kennedy Administration and their soundness.

NEWMAN:  
(CONT'D)

Our speakers have been Senator Humphrey, democrat of Minnesota who says the proposals are sound; Senator Hickenlooper, a Republican of Iowa who has some reservations about them. Thank you, gentlemen. Our thanks to the studio audience, to the television audience. This is Edwin Newman. Good night.



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