

TV Script - October 31, 1963

BOB COAR: This is Washington, and this is Senator Hubert Humphrey of Minnesota. Now here is Senator Humphrey.

SENATOR HUMPHREY: Well, thank you. And today I want to talk to you about our foreign aid program with particular emphasis upon the Alliance for Progress. The cooperative or mutual assistance program that we have with our friends in the Latin American republic. Just a word about foreign aid, since it always seems to be a rather controversial issue in the American public. We in the Congress have been studying this foreign aid program for several. The President having sent us the foreign aid message in the late spring--May or June. We held many days of hearings, and we have carefully scrutinized and examined every single <sup>item</sup>/country by country of the Administration's proposal for foreign aid. You may also recall that General Lucius Clay headed up a committee of distinguished citizens that examined the current foreign aid program, its substance, its administration, and then looked into foreign aid in past, present, and future. The result of that study was that certain recommendations were made which have been in the main or a large part incorporated into the present foreign aid bill that is now before the United States Senate. Actually, you may recall General Clay advocated a reduction in the foreign aid amount. That reduction was passed on to the Congress by the President, and we here in the Senate have made further reductions of some 300 millions of dollars. So that we have before the Senate

today a bill that has been carefully scrutinized by two committees of the Congress that has been examined by the Clay Commission that reviewed all foreign aid, that had a reduction first of all by the recommendations of General Clay, and secondly, a reduction of about 300 million dollars by the Senate Foreign Relations Committee. So the bill that's before us is one that has been, I think it is fair to say, worked over. Now, let's just take a look at foreign aid, what is it? what is its purpose?

Well, we have had a program for assistance or mutual assistance or foreign aid ever since World War II. In fact, I think Lend Lease during and just prior to World War II might well have been called Foreign Aid, because it was a way of sharing the strength of the U. S. with the forces of freedom and the free nations around the world. Lend Lease was designed in the war days for our benefit to protect America. Foreign aid in the postwar years has as its primary purpose the strengthening and the protection of our national security. And foreign aid has had solid public support. The American people realize that national security today is not merely in our Air Force, or in our Marine Corps, or Navy, or Army, or in our Defense establishment, important as that is, but it is in a totality/ <sup>of our</sup> program that relates to economic assistance, technical assistance, the financing of development in countries where without such development there would be revolution and violence and an opportunity for

Communist takeover. Therefore, the purpose of foreign aid, while it benefits the countries to which it is directed, is primarily beneficial to the United States, by making it possible for this nation to live in a world that is more tranquil, more peaceful, and to live in a world where more and more people have an opportunity to enjoy the benefits of modern science and technology. We as the greatest productive nation in the world as the richest nation and the strongest nation, as a people with our capacity to produce in factories and shops and in farms we have a big stake. Yes, a very big stake in having a world in which people are consumers in which there is a higher degree of prosperity and a higher level of economic performance. And therefore the foreign aid program is a mixture of three factors: military assistance, yes today we help make stronger some  $3\frac{1}{2}$  million troops who guard the ramparts of freedom in western Europe and other parts of the world, exclusive of our own, through military assistance. Military assistance to aid those people to face up to the constant aggression and attack of world communism; secondly, there is technical assistance to train people how to do things. To train them to use modern tools, to train people in the field of agriculture, in health, in industry, in public administration, so they can do a better job; thirdly, economic assistance, most of which in fact 95% of which is loans. Loans that are repayable in dollars. Loans that are repayable with interest in dollars. Now, I think this program is therefore worthy of merit and support. The American

think so too. Because, as I noticed here just prior to preparing for this telecast, the recent Gallup poll reported that a decisive majority of Americans support foreign aid. And that poll also reported that the percentage of support for foreign aid has been increasing steadily during the last nine years. Now, down here in Congress, many times you hear people talk as if foreign aid had no public support, no public understanding. The fact of the matter it has a great deal of support. Just like strong defense has strong support, and I repeat that our foreign aid program is vital to the security of the United States and to the strength of the free world as the military equipment and the trained military manpower that guards the ramparts of freedom of this world. Let me just look at foreign aid for or through a different set of glasses for a moment. I have said that it is vital to our national security, and I don't think there is any doubt about that. Our foreign aid in Greece and Turkey for example, where hundreds of thousands of troops have been trained and are supplied with foodstuffs and military/defense equipment; and through our military assistance and military support which is a part of foreign aid. As a matter of fact, that is the big part of it. Surely you would agree with me that this was important to the defense of freedom. But there is something else about foreign aid that many people don't understand. It helps to strengthen the United States' economy. For example, 80% of the foreign aid monies, all of the funds, are spent right here in the United States for goods and services that are purchased here for American factories, for American producers

of American materials, and then made available on the basis of loans or credits in the main to the recipient countries. I want to stress this point, we give very little in terms of grants. Very little. We give some in health, yes, some in education, but when it comes to building factories, and when it comes to agrarian reform, when it comes to matters of tools and equipment, these things are purchased on the part of the country that receives a loan from the development loan fund of the A I D administration. And those loans are being repaid with interest. So this is business as well as good national security. A I D purchases account for over  $\frac{1}{2}$  million jobs in America and some of those jobs are right out in Minnesota because we supply a good deal of equipment for our foreign aid program. This foreign aid creates new markets for United States products, because people get used to using our products. They become accustomed to our trademark. And when machinery goes, farm machinery, trucks, tractors, earth-moving equipment goes from American factories under the foreign aid program to another country, spare parts, replacement parts, have to be purchased back here in the United States. I noticed for example in a report that we received in the Committee on Foreign Relations, that in 1962, the agency for International Development, that's our A I D agency, financed 25% of all the United States iron and steel mill product exports.  $\frac{1}{4}$  of all of our steel exports come out of financing by foreign aid. This financing is paid. You don't generally lose money loaning it at interest. That is why banks generally have

profit. 38% of our export of fertilizer and locomotives are financed by foreign aid. Over 50 million dollars in foreign purchases of U.S. manufactured electrical appliances, and 10% of all of the trucks and all of the buses that are exported by the U. S. are financed by the foreign aid. One billion 200 million dollars worth of military goods produced in the U. S. have been made available to the U. S. financed by foreign aid, jobs for Americans, work for Americans, business for American/<sup>business</sup> firms is involved in foreign aid.

Aid financed almost 1/10 of the total amount in exports to under-developed countries in 1962. And that was a little over 7½ billion dollars worth of exports. So, no matter how you look at it, aid is good business for the United States. Well, now there are other good points that I could cite you for a moment. The Marshall Plan was foreign aid and did it work? I'll say so. The Marshall Plan went to western Europe. Loans and credit being repaid now to our country, several countries way ahead of their payments---such as France, and today western Europe is strong and prosperous. It's in fact a giant of industrial activity. The Point Four Program---technical assistance, a phenomenal success, all over the world, The Food for Peace Program, this is foreign aid. Tremendous success, and a great help to American agriculture. And the Peace Corps, one of the most popular programs, one of the most important programs ever conceived by a Government and accepted by those countries

where the help is needed. The Peace Corps is doing great things. In training, helping other people throughout the world. Now the Alliance for Progress has it been doing things? I'll say so, it's our effort in Latin America. We only put in a small amount compared to the total program. We put in for example the total amount would be about \$2 for every \$8. Our \$2 for \$8---let's say our \$2 million dollars for \$8 million put up by the Latin American countries. And under this program, in less than two years, taking just the first year to get ready for it, and the second year to get on the job after countries have prepared their plans, after projects have been carefully reviewed, 140 thousand new housing units in Latin America. 4 million schoolbooks have been prepared and distributed for the first time modern schoolbooks. Not filled with communist propa~~g~~anda, but with the spirit of democracy. Over 8,200,000 new schoolhouses have been built. 700 new community water systems have been established providing potable, clean water. More than 9 million children in 18 countries have been receiving school lunches through the Food for Peace Program under the Alliance for Progress. It's a marvelous record.

Now, I have just a moment or two left, and I want to show you something. Here's the way in Venezuela that they used to farm. I hope that our camera can see that. Here you see the oxen and the old wooden plow, productivity and agriculture down to little or nothing. Here's what happened when A I D got into the picture---the foreign aid program. Foreign aid you get tractors, American tractors increasing agricultural production by 200%. Here's in Brazil, here's the kind of slum conditions you see in Brazil. Terrible slums.

A seedbed, a natural setting for communist activity. And here's what happens under A I D. Houses built to sell for less than \$700. 15 years to pay for them. Low rates of interest, and workers that never had clean housing. Running water. Sanitation for the first time. And then you take a look here in Central America and you see the kind of pitiful conditions that ~~happe~~ exist in some of the homes and health conditions that are unbelievable. Poor health. And here you see the mobile health unit. Hundreds of these mobile health units working in Latin America to bring better health to the people. What's the story then of the foreign aid program. It's sharing, it's helping, and above all it's strengthening the forces of freedom. And this is good for America, good politically, good economically, and its good morals as well.

Thank you.

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