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### Foreign Aid

Mike Mansfield 1903-2001

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MAR 22 1956

### STATEMENT REGARDING FOREIGN AID

The foreign aid proposal which has now been submitted for the consideration of Congress is indicative of the lack of leadership which has been characteristic of the Administration's activities in the field of foreign policy for the past three years.

There are only two elements of the aid proposal which might remotely be described as new. In fact, however, these "new" characteristics are not novel and I hope not indicative of the kind of initiative that this nation must assume in the field of foreign policy.

The request for authority to make "long-term commitments" is allegedly new. As a practical matter, however, in the administration of our foreign aid programs it has been possible for the executive to obligate this government in such a way that it is in fact committed over a long period of time. By way of example, I merely cite the recent negotiations for United States assistance in constructing the Aswan dam. Although the United States proposal involves only funds which are already available it will have the effect of committing the United States, morally at least, to continue to give such assistance as may be necessary to complete the project. Another example was the instance in which Congress authorized over a term of years annual contributions to the infrastructure of NATO.

The aid message asks for more flexibility in the administration of the program. Again, Congress in the past has given the Administration great flexibility. Ten percent of funds authorized for particular kinds of assistance have always been available to the President for transfer for other uses. The Administration now has two emergency funds totalling \$200 million, one is the special Presidential funds, \$50 million of which does not even require an accounting in the usual manner. Furthermore, Congress last year gave the President a special Asian fund in the amount of \$100 million. This fund was to be available for three years. It is my understanding that very little, if any, of this fund has yet been committed although in fact there was tremendous pressure placed on Congress last year to have these funds appropriated because of the emergency nature of the needs in Asia.

Administration asks for a new fund of \$100 million for the Near East and Africa. In short, Mr. President, the Administration is asking authority for long-term commitments (which it already has in substantial degree), for more flexibility (which it already has in substantial degree), more special funds (it already has two), and more money.

I see no evidence of any new constructive thinking in the approach of this nation to the Soviet challenge which daily assumes greater proportions.

There is no evidence of any reappraisal, for example, of the ratio of funds requested for economic assistance and those requested for military assistance.

All the Administration seeks is more of the same old medicine which may have

been adequate for the needs of the past but is not adequate for the demands of the present. I am certain that the request for increased military assistance funds is not going to help us in our relations with South Asia.

It is my belief that the American people are willing to face new challenges in the field of foreign policy. They rose nobly when President Truman asked for assistance for Greece and Turkey. They responded with equal support of the Marshall Plan and the Point Four program. I believe they would do it again.

The time has come for the American people to prod this Administration to rise to the demands of the hour. I believe that we can devise new and better ways to meet the Soviet threat, especially in Asia. I hope representatives of national organizations and individual Americans will come forward with positive, constructive suggestions which I feel are sadly lacking in the proposal which we have just received from the White House.

By way of example, it seems to me that this nation might embark on a substantial program of loans to backward countries as distinguished from gifts. There is no reason why the tremendous backlog of investment capital in this country could not be made available in underdeveloped areas of the world at extremely low rates of interest. It would be cheaper for the taxpayer and healthier for the recipient. This country developed its railroads with the help of loans made to us by the nations of western Europe. Those loans, even with their high rates of interest, did not create dependence. They helped us to maintain our independence. I hope that as a result of our consideration of the

President's foreign aid proposal we may inaugurate a program which would make these great sums of investment capital available to nations which need that kind of assistance.

Under our system of government it is normal for initiative in the field of foreign policy to come from the Executive. When all the Executive produces in the way of initiative is demand for authority for long-term commitments, for more flexibility, and for more money for military assistance, it is time for the imaginative people of this nation -- and they are numbered in the millions -- to prod the Executive and the Congress into action commensurate with the needs of this nation.

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