Appraising Cost of Peace
— Effectiveness of US Foreign Aid Studied

Statement

By SENATOR A. WILLIS ROBERTSON
Member, Senate Appropriations Committee

IN ORDER that the people of this country (Germany) may better understand the purpose of our visit, it might be helpful if we . . . indicate the authority under which we are acting on this as well as the purpose for making it . . .

The members of our group are members of the Senate Appropriations Committee and we are visiting Europe . . . under the authority which the Appropriations Committee has always possessed to investigate projects for which we have appropriated or expect to appropriate public funds.

Throughout the years members of the Senate Appropriations Committee have investigated projects in the United States for the development of which expenditures had been authorized but we now find ourselves in a situation in which expenditures authorized to be made in foreign countries are larger than the total of all expenditures authorized to be made in our own country prior to 1933.

BECAUSE the United States is large in area, rich in natural resources and highly industrialized, there are many in Europe who are inclined to believe that our wealth is relatively inexhaustible. Such is far from the truth.

In times of depressed values in 1933 our total wealth was estimated at $400,000,000,000. In terms of present inflated values our total wealth is estimated at $600,000,000,000. But when our wealth was estimated at $400,000,000,000, we had a national debt of only $35,000,000,000 and now we have a national debt of $254,000,000,000, to which possibly $4,000,000,000 more will be added before June 30, 1950.

Before World War II we contributed to government in taxes about 10 percent of our national income. We are still paying most of the taxes imposed to finance World War II and they amount to slightly more than 25 percent of our national income. After spending thousands of precious lives and billions of dollars in fighting World War II, the American people wanted and expected peace and relief from wartime taxation.

It has been more than four years since the war ended and they have neither.

With the hope of a program of freer international trade, economic rehabilitation of western Europe through ECA, and the strengthening of democracies to resist aggression through the Atlantic Pact, the Congress this year renewed the Reciprocal Trade Agreement Act and appropriated about $5,000,000,000 for rehabilitation and about $1,300,000,000 for military aid.

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Studying the effectiveness and progress of US foreign aid programs, members of the appropriations sub-committee of the Senate Armed Services Committee visited Frankfurt Nov. 2 and were welcomed by Maj. Gen. George P. Hays, deputy high commissioner. L. to r. are Senators Edward J. Thye (R-Minn.), John J. McClellan (D-Ark.), John C. Stennis (D-Miss.), General Hays; Senators Elmer Thomas (D-Okla.), chairman of group, A. Willis Robertson (D-Va.), who wrote the accompanying statement, and Dennis Chavez (D-N.M.). (PRD, HICOG photo)