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THE CONGRESSIONAL FRONT
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WHAT ABOUT LOANS TO FOREIGN COUNTRIES

For some weeks now, there has been a delegation from Great Britain in Washington seeking to secure financial aid for their country. Newspapers have carried a number of stories on this matter while columnists and commentators have devoted much attention to the arguments on both sides of the proposition to make loans to foreign countries. That the people are quite alert to the matter is evidenced by the large number of letters which come to the desks of Congressmen giving the views of the various writers on the subject. In a general way, there are two schools of thought on this proposition and each side makes a pretty good case.

THOSE WHO OPPOSE LOANS

Those who look with disfavor on making further loans to other countries and particularly those nations who are still indebted to us from the last war put up the case about like this: We spent 375 billion dollars of our money to fight and win this war. We have a debt which will soon reach the 300 billion mark and that the annual interest will be nearly 6 billion dollars. We provided 42 billions in lease lend goods to the world and will get nothing in return. In addition, we're footing about 73% of the relief bill to provide relief for our war stricken nations. The European nations owe us 11 billion from the last war and it will probably never be paid. Millions of our soldiers will be returning to find jobs in civil life. They have first claim upon every resource of the nation and we'll need our money to provide jobs and other benefits for them. We've done our share. Why should we fork over more money in the form of loans and credits for countries for whom we have already done so much. That's a pretty good case, wouldn't you say.

THOSE WHO FAVOR LOANS.

Now, let's take a look at the case presented by those who not only favor loans to help foreign nations but who believe it is imperative in the interest of our own well being and the peace of the world that we do so. Their story is about like this: The nations of Europe are busted. They don't have credit and money enough to buy raw materials so their factories and mills can operate. These industries must get under way and manufacture goods which can be sold so that such industries can obtain money with which to buy food and raw materials from us. If they don't have goods to export, it means that our own foreign trade will dwindle and this in turn means fewer jobs for the people of the U.S. Moreover, if the pinch becomes too great, what will prevent many of these nations from finally going Communist and if that should happen, we would be playing a lone hand in the world. Therefore we really help ourselves more than we do the country which requests a loan on long-term credit from us.

WHAT CAN YOU GET FROM A BUSTED COUNTRY.

The question then naturally arises: If these countries are so dead-broke just what can you get back from a busted country. This column didn't actually start out with the idea of taking sides on this question of loans vs no-loans at the moment because there are still so many facts which must be brought out in the negotiations which are now under way. Rather, it seeks to answer this question of what we might get from a busted country. If loans are made, we can, of course, get interest on the money and can so set up the terms and conditions of the loans as to get our money back. But there is much more that we can and should get. Take India. She has 400,000,000 people. They could be good customers for our farm products as well as manufactured commodities. They have plenty of money. In fact, Britain owes India 4 billion dollars. They want to buy from the U.S. But they can't. That is to say, they can only buy 30 to 50 million dollars worth of our stuff every year. So, you wonder why? Well, happens that India belongs to the British sterling bloc and is under British domination. Britain, therefore, tells her how much she can buy from the U. S. This is also true of Egypt and certain other areas. Now suppose in return for financial aid, we should say to any foreign country: "Sure, we'll make you a loan but on condition. The condition is this. You remove the restrictions on imports from the United States and also eliminate this blocking of currency. You'll also have to eliminate monopolies and cartels so we can have an even break on trade with such countries. Moreover, we want our newspapers and press associations to have free access to the news and be able to cable the news to the U.S. without censorship and while it's fresh. Now, if you can see your way clear to do this and give us a fair shake, we're willing to help." If this were done, it would mean that the American dollar would become a real partner of the American GI in making the world reasonably free. After all, ain't that why we fought?