Written by <u>William F. Jasper</u> on October 23, 2008



Bush Pushes Foreign Aid, Despite Economic Woes

"For the past eight years, the United States has provided more foreign assistance than at any time in the past half century," <u>President</u> <u>Bush</u> told the 500 private and public leaders from the United States and the developing world who had gathered for the Washington, D.C., symposium.

"We're using this aid," said Bush, "to foster sustainable economic growth, and promote good governance, and advance a model of true partnership that gives poor nations a real stake in their own development."

On October 20, U.S. Agency for International Development Administrator <u>Henrietta Fore</u> said that in all regions of the world, the Bush administration has doubled, tripled or quadrupled development assistance. "Development assistance," of course, is a term the Republicans have adopted from the Democrats and the United Nations, since "foreign aid" is — and has been for decades — an odious term for a very unpopular political program.

Ending foreign aid was once a leading cause for conservatives, libertarians, and constitutionalists. It was a major issue for the Goldwater wing of the Republican Party. Liberal-left Democrats pointed to this opposition as evidence of stinginess on the part of conservatives. However, opponents made three main arguments against foreign aid, claiming it is: 1) unconstitutional, as there is no delegated authority in the Constitution for federal government to tax American citizens for the alleged benefit of any foreign government or people; 2) detrimental and corruptive to recipient countries; and 3) injurious to private charitable programs, which have a proven record of providing more compassionate, effective, and efficient assistance.

British economist Peter T. Bauer (1915-2002) was one of the most trenchant opponents of governmentto-government wealth aid, which he famously referred to as a transfer of wealth from the poor people in rich countries to the rich people in poor countries.

Even the World Bank, which has been one of the largest spigots of foreign aid, has acknowledged that much of its funding has been detrimental. In its 1997 *World Development Report*, the World Bank admitted that the notion that "good advisers and technical experts would formulate good policies, which good governments would then implement for the good of society" was outdated and unrealistic. It noted that "the institutional assumptions implicit in this world view were, as we all realize today, too simplistic.... Governments embarked on fanciful schemes. Private investors, lacking confidence in public policies or in the steadfastness of leaders, held back. Powerful rulers acted arbitrarily. Corruption became endemic. Development faltered, and poverty endured."

This *mea culpa*, however, has not led to real reforms at the World Bank and other "development assistance" agencies to change the culture of corruption infecting state-to-state foreign aid. Nevertheless, the Bush administration has adopted the "compassion" rhetoric of the preceding Clinton and Bush administrations to justify expanding U.S. foreign aid. <u>President Bush</u> told those attending the recent foreign-aid summit:

During times of economic crisis, some may be tempted to turn inward — focusing on our problems



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here at home, while ignoring our interests around the world. This would be a serious mistake. America is committed — and America must stay committed — to international development for reasons that remain true regardless of the ebb and flow of the markets. We believe that development is in America's security interests. We face an enemy that can't stand freedom. And the only way they can recruit to their hateful ideology is by exploiting despair — and the best way to respond is to spread hope.

We believe that we ought to remain committed to development because it's in our long-term economic interests. When America helps developing nations rise out of poverty, we create new markets for our goods and services, and better jobs for American workers. And we're committed to development because it's in our moral interests. I strongly believe in the timeless truth: To whom much is given, much is required. We are a blessed nation and I believe we have a duty to help those less fortunate around the world. We believe that power to save lives comes with the obligation to use it. And I believe our nation is better when we help people fight hunger and disease and illiteracy.

Secretary of State <u>Condoleezza Rice</u> struck a similar note. "Of course, some will ask the inevitable question in these troubled times: how can we afford it?" Rice said. "I would ask instead: How can we not afford it?"

Ignoring the fact that the U.S. government is itself already trillions of dollars in debt, Rice continued. "How can we afford to leave the world's striving, struggling poor to their own devices?" she asked. "How can we afford not to support weak, poor, and poorly governed states that, as we have seen, can destabilize the world in the 21st century?"

Most Americans agree that we are a blessed people and a blessed nation and that we, as individuals, have a moral obligation to help those in need. And Americans have proven to be very generous in supporting numerous private and religious charitable programs providing assistance to the developing countries and to those ravaged by wars, turmoil, and natural disasters. However, in the end, we want to be able to choose how much of our own resources to give, and to whom, rather than have it taken from us by government force and doled out by our politicians and bureaucrats to the politicians and bureaucrats in foreign countries.



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