

Congressman Ron Paul U.S. House of Representatives May 1, 2002

Statement Opposing Taxpayer Funding of Multinational Development Banks

Mr. Speaker, Congress can perform a great service to the American taxpayer, as well as citizens in developing countries, by rejecting HR 2604, which reauthorizes two multilateral development banks, the International Fund for Agricultural Development (IFAD) and the Asian Development Fund (AsDF).

Congress has no constitutional authority to take money from American taxpayers and send that money overseas for any reason. Furthermore, foreign aid undermines the recipient countries' long-term economic progress by breeding a culture of dependency. Ironically, foreign aid also undermines long-term United States foreign policy goals by breeding resentment among recipients of the aid, which may manifest itself in a foreign policy hostile to the United States.

If Congress lacks authority to fund an international food aid program, then Congress certainly lacks authority to use taxpayer funds to promote economic development in foreign lands. Programs such as the AsDF are not only unconstitutional, but, by removing resources from the control of consumers and placing them under the control of bureaucrats and politically-powerful special interests, these programs actually retard economic development in the countries receiving this "aid!" This is because funds received from programs like the AsDF are all-too-often wasted on political boondoggles which benefit the political elites in the recipient countries, but are of little benefit to the individual citizens of those countries.

In conclusion, HR 2604 authorizes the continued taking of taxpayer funds for unconstitutional and economically destructive programs. I therefore urge my colleagues to reject this bill, return the money to the American taxpayers, and show the world that the United States Congress is embracing the greatest means of generating prosperity: the free market.

