

June 5, 2006 This week, Congress will vote to send more than 20 billion of your hard-earned dollars overseas, when it passes the Foreign Operations Appropriations bill for 2007. Our annual foreign aid bill is one of the most egregious abuses of the taxpayer I can imagine. Not only is it an unconstitutional burden on America's working families, but this yearly attempt to buy friends and influence foreign governments is counterproductive and actually results in less goodwill toward the United States overseas. Why is foreign aid so bad? Isn't it our obligation to help those less fortunate? What is not mentioned by proponents of foreign aid is that it very seldom gets to those who need it most. Foreign aid is the transfer of US dollars from the treasury of the United States to the governments of foreign countries. It is money that goes to help foreign elites, who in turn spend much of it on contracts with US corporations. This means US tax dollars ultimately go to well-connected US corporations operating overseas. Foreign aid distorts foreign economies and props up bad governments. It breeds resentment among citizens of foreign countries, who see the United States as keeping oppressive governments in power. Also, it is important to remember that forced charity is not charity at all. While I believe strongly in the moral value of helping the less fortunate, charity must come voluntarily from the heart, not under threat from the IRS. This year's bill is even worse than last year's bill. Aside from the almost 600 million dollar increase, the bill will spend half a billion dollars on something called the "Trade Capacity Enhancement Fund." This is nothing but an enormous fund to bribe foreign governments to "liberalize" their trade policies. As one of the strongest proponents of free trade in Congress, I know well that open and free trade is its own reward. Countries that trade freely with each other are wealthier and far less likely to go to war. We shouldn't kid ourselves: this new program is not about free trade. Its purpose is to encourage countries to enter into new so-called trade agreements with the US government. Government to government trade agreements produce government-managed trade relationships, which are not free trade at all. This fund is a colossal waste of money that will result in less free trade worldwide. Also, this year Congress will nearly double funding for the monstrous Millennium Challenge program. This is billed as a different kind of foreign aid, in that it only goes to governments that pursue "free market" economic and social reforms. Of course this is a waste of money: governments that pursue wise economic policies will attract much more in foreign private investment than the US government can send them. The true reward for sound economic policies is increased prosperity. Foreign aid does not purchase that prosperity but in fact distorts internal markets and props up inefficient companies. Americans concerned about high taxes, out of control gas prices, and economic downturn should think hard about what the US government is doing with the money it takes from them. The greatest "foreign assistance" we can give to other countries is to demonstrate to the rest of the world that limited government and the rule of law ensure freedom and prosperity.