

May 1, 2006     A recent Hudson Institute study found that, last year, American citizens voluntarily contributed three times more to help people overseas than did the United States government. This should not surprise us at all, as Americans are generous to those in need, whether here or abroad. There are so many moral, religious, and human reasons to help our fellow men and women in need. It is only when government gets in the way and tries to crowd out private charity that problems arise. There are good reasons why the US Constitution does not allow our government to send taxpayer money overseas as foreign aid. One of the best is that coerced “charity” is not charity at all, but rather it is theft. If someone picks your pocket and donates the money to a good cause it does not negate the original act of theft. There are also practical reasons to oppose governmental foreign aid. Though it may be given with the best intentions, government agencies simply cannot do the kind of job that private charities do in actually helping people in need. Government-to-government assistance seldom helps those really in need. First, because it comes from governments it usually has political strings attached to it, and as such is really a cover for political interventionism. Take our own National Endowment for Democracy for example. The “aid” money it spends is usually spent trying to manipulate elections overseas so that a favored foreign political party wins “democratic” elections. This does no favor to citizens of foreign countries, who vote in the hope that they may choose their own leaders without outside interference. Likewise with the so-called Millennium Challenge Account, which sends US aid to countries that meet US-determined economic reform criteria. The fact is, countries that enact solid economic policies will attract many times the amount of private foreign investment on international capital markets than they receive through the Millennium Challenge program. Another problem is that when a government gives aid to another government there are so many layers of middlemen involved that by the time the actual aid trickles down to those in need it is a small fraction of the original amount given. Not to mention that much of this aid finds its way into the pockets of corrupt foreign leaders. Private assistance organizations, on the other hand, are more subject to market forces and thus much more effective. When Americans feel motivated to part with their hard-earned money to help someone overseas, they want to make sure it goes only to the most effective charities. Bad news travels fast, and private charities are unlikely to send their resources where they are likely to be wasted because their contributions would soon dry up. We all recall what happened several years ago when it was revealed that the top management of a major charity organization was paid extremely high salaries: people stopped sending money. The problem corrected itself. Sadly, this does not happen when government aid is mismanaged. More often than not, the very government agencies that mismanaged the assistance in the first place come back to Congress for a budget increase to solve the problem they created. So we should be happy to hear that Americans are willing to give so much to help those less fortunate in foreign lands. And we should think hard about all the good we could do both at home and abroad if our government did not take so much from us for its ineffective and wasteful foreign aid priorities. True charity is never coerced.