



Written by [Laurence M. Vance](#) on August 11, 2014

Published in the August 11, 2014 issue of [the New American](#) magazine. Vol. 30, No. 15

Exporting Welfare

Back in 1979, the Department of Education was formed from the Department of Health, Education, and Welfare (HEW). But instead of shortening the name of the older department to the Department of Health and Welfare, it was re-christened the Department of Health and Human Services. The term “welfare” has since fallen into disuse in other areas as well. “Income security,” “entitlement,” and “public assistance” are now the usual terms for what used to be called “welfare” programs. Even the well-known food-stamp program has been renamed the Supplemental Nutrition Assistance Program (SNAP).



But regardless of what they are called, federal programs such as SNAP; Head Start; Temporary Assistance to Needy Families (TANF); Supplemental Security Income (SSI); the National School Lunch Program (NSLP); Medicaid; the Low Income Home Energy Assistance Program (LIHEAP); the State Children’s Health Insurance Program (SCHIP); job training; Women, Infants, and Children (WIC); and Section 8 rent subsidies are welfare programs.

According to John Goodman of the National Center for Policy Analysis, the federal government actually has “126 means tested welfare programs.”

Other welfare programs that are often not viewed as such include unemployment compensation, Social Security, Medicare, and the refundable portion of tax credits.

The unemployment-insurance program pays benefits through the states to those who are unemployed. It is only partially funded by unemployment taxes paid by employers. Social Security provides government benefits for retirement, disability, survivorship, and death. Although it is mostly funded by payroll taxes, there is absolutely no relation between Social Security taxes paid and benefits received. Medicare is government-funded healthcare for Americans 65 years old and older and for those who are permanently disabled. It is funded by a combination of income-based beneficiary premiums and taxpayer subsidies. But like Social Security, there is absolutely no relation between Medicare taxes paid and benefits received. Regular tax credits that provide a dollar-for-dollar reduction of the amount of income tax owed are not welfare. But tax credits that are in some way refundable are certainly welfare because if the tax-credit “payment” is more than the tax owed, the taxpayer receives a refund of money he never paid in.

All federal welfare programs are clearly illegitimate and unconstitutional functions of the federal government. They are socialistic, they are collectivist, they foster dependency on the government, they are income-transfer programs, they are social-engineering schemes, they shift responsibility from the individual to society and from families to the state, they contribute to class warfare, they crowd out genuine charity, and they are the means by which the federal government takes \$2 trillion a year from



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some Americans and gives it to other Americans.

There is another euphemism for a welfare scheme that is far worse than any of those mentioned above: foreign aid. This is aid given by the U.S. government to people in other countries, courtesy of U.S. taxpayers. This should be distinguished from private charitable aid, funded by voluntary donations.

Foreign Aid

According to the Congressional Research Office report on foreign aid, “Foreign Aid: An Introductory Overview of U.S. Programs and Policy,”

U.S. foreign aid policy has developed around three primary rationales: national security, commercial interests, and humanitarian concerns. These broad rationales are the basis for the myriad objectives of U.S. assistance, including promoting economic growth, reducing poverty, improving governance, expanding access to health care and education, promoting stability in conflictive regions, promoting human rights, strengthening allies, and curbing illicit drug production and trafficking.

Foreign aid is specifically “organized around five strategic objectives, each of which includes a number of program elements, also known as sectors.” These five objectives are Peace and Security (counter-terrorism, combating weapons of mass destruction, stabilization operations and security sector reform, counter-narcotics, transnational crime, and conflict mitigation and reconciliation), Investing in People (health, education, and social services and protection for vulnerable people), Governing Justly and Democratically (promoting the rule of law and human rights, good governance, political competition, and civil society), Economic Growth (macroeconomic growth, trade and investment, financial sector, infrastructure, agriculture, private sector competitiveness, economic opportunity, and environment), and Humanitarian Assistance (protection and assistance to refugees and internally displaced persons and provision of emergency food aid).

Since 2002, global development, a primary objective of U.S. foreign aid, has been established as a third pillar of U.S. national security, along with defense and diplomacy.

Foreign assistance can take the form of cash transfers, food commodities, weapons systems, military assistance, peacekeepers, equipment such as generators or computers, infrastructure projects, school and health clinic construction, loan guarantee programs, medicine, technical assistance and expertise, training, humanitarian aid, and disaster relief. Some of the foreign aid budget is also spent fighting the war on drugs in other countries. Aid is provided almost exclusively on a grant basis.

During fiscal year 2012, 17 agencies of the federal government funded foreign economic assistance activities, mainly the U.S. Agency for International Development (USAID) and the Departments of State, Treasury, Agriculture, Health and Human Services, Energy, and Defense, but also the Millennium Challenge Corporation and the Peace Corps. According to USAID, for fiscal year 2012:

- The United States remained the world’s largest bilateral donor, obligating approximately \$48.4 billion — \$31.2 billion in economic assistance and \$17.2 billion in military assistance. By comparison, the United States obligated \$30.7 billion and \$18.3 billion, respectively, in FY2011.
- \$19.1 billion of the \$31.2 billion in obligated U.S. economic assistance went to 182 countries; the rest was obligated to non-specified regions. Afghanistan received the most, approximately \$3.3 billion, while Brunei received the least, just \$3,950.



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- The U.S. disbursed \$19.0 billion in economic assistance to 184 countries; it disbursed \$14.2 billion in military assistance to 142 countries.

By region, it is Sub-Saharan Africa that receives the most aid:

- Sub-Saharan Africa received the largest share of economic assistance — 25 percent.
- Of the 48 countries that received over \$100 million in economic assistance, 20 were in Sub-Saharan Africa.
- Of the 182 countries that received economic assistance in 2012, 48 were in Sub-Saharan Africa.

For fiscal year 2012, the top 10 countries that were recipients of U.S. foreign aid, in terms of “obligations” that resulted in immediate or future outlays, were:

1. Afghanistan \$12.9 billion
2. Israel \$3.1 billion
3. Iraq \$1.9 billion
4. Egypt \$1.4 billion
5. Pakistan \$1.2 billion
6. Jordan \$1.1 billion
7. Ethiopia \$.9 billion
8. Kenya \$.7 billion
9. Colombia \$.6 billion
10. Haiti \$.5 billion

Afghanistan has remained the top recipient of U.S. economic and military assistance for five consecutive years. Previous to this, Iraq received the most aid for five straight years. Before the United States became embroiled in the wars in Iraq and Afghanistan, it was Israel that generally received the most in foreign aid.

The Problems With Foreign Aid

The first problem with foreign aid is that providing welfare services — at home or abroad — is an illegitimate purpose of government. The purpose of government is supposed to be to protect the lives, liberties, and properties of the people who form it, period. President Grover Cleveland once vetoed a bill passed by Congress to provide financial assistance to farmers suffering from a drought. In his veto message he stated:

I do not believe that the power and duty of the general government ought to be extended to the relief of individual suffering which is in no manner properly related to the public service or benefit. A prevalent tendency to disregard the limited mission of this power and duty should, I think, be steadfastly resisted, to the end that the lesson should be constantly enforced that, though the people support the government, the government should not support the people.

And as Congressman Davy Crockett once responded to a congressional attempt to help the widow of a naval officer:



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I will not go into an argument to prove that Congress has no power to appropriate this money as an act of charity. Every member upon this floor knows it. We have the right, as individuals, to give away as much of our own money as we please in charity; but as members of Congress we have no right so to appropriate a dollar of the public money.

If it is not a proper function of the U.S. government to dispense welfare to its own citizens, then it is certainly inappropriate to bestow welfare on foreigners.

The second problem with foreign aid is that it is blatantly unconstitutional. The list of powers granted to the federal government in Article I, Section 8, of the Constitution includes nothing remotely related to providing charity, feeding the hungry, eradicating poverty, establishing a safety net, undertaking disaster relief, investing in people, fighting disease, promoting the rule of law, monitoring elections, defending human rights, expanding opportunities for women, waging war on drugs, increasing literacy, building infrastructure, assisting refugees, drilling wells, global development, job training, mitigating pollution, or combating climate change. And there are no exceptions for natural disasters, humanitarian concerns, national interest, or political objectives.

Even if a majority of Americans wanted their government to provide welfare — at home or abroad — it could not be done without doing violence to the Constitution. In the aforementioned veto message of President Cleveland, he said he opposed the bill to aid farmers because he could “find no warrant for such an appropriation in the Constitution.” And when Congress appropriated \$15,000 to assist some French refugees, Congressman (and later President) James Madison objected, saying: “I cannot undertake to lay my finger on that article of the Constitution which granted a right to Congress of expending, on objects of benevolence, the money of their constituents.”

The third problem with foreign aid is that it is often used for outlandish purposes. Just this year the State Department announced a \$1.5 million grant opportunity for “job creations for at-risk neighborhoods” in the country of Belize. The United States Agency for International Development is planning to award a \$5.5 to \$6 million grant to “increase the empowerment of women” in the country of Bangladesh and a \$3 million grant, where “special consideration will be given to proposals that benefit women,” to fight climate change in the Pacific Islands. The agency is also planning to spend \$24.5 million to circumcise up to 200,000 infants and males aged 10 to 49 in the kingdom of Swaziland, which has the highest rate of HIV in the world.

The fourth problem with foreign aid is that it suffers from what Austrian economists call a “calculation problem.” When an unprecedented tsunami hit Indonesia in 2004, the United States pledged \$350 million to help tsunami victims. When a killer cyclone hit the country of Myanmar (Burma) in 2008, total U.S. government humanitarian assistance came to \$42 million. When a destructive earthquake hit China in 2008, the United States sent emergency relief supplies; specialized search, rescue, and recovery equipment; search and rescue personnel — and \$4.8 million. When a tremendous earthquake hit Haiti in 2010, a military assessment team was quickly sent from the U.S. Southern Command as President Obama announced that America would give \$100 million toward relief efforts. When a devastating earthquake and tsunami hit Japan in 2011, total USAID and DoD Assistance came to \$77 million. And just recently, the United States deployed 80 members of the military — at an unknown cost — to the country of Chad to help in the search for the Nigerian schoolgirls kidnapped by the insurgent group Boko Haram. But to which countries should the United States send aid? How much aid should be provided? What type of aid should be given? What strings, if any, should be attached to the aid



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supplied? How long should the aid be maintained? Once the concept of doling out foreign aid is accepted, these questions have nothing but arbitrary answers.

The fifth problem with foreign aid is that it defies logic and common sense. Americans are regularly told by various organizations that many children in the United States go to bed hungry at night or go to school hungry in the morning, poverty and homelessness are increasing, schools are failing to properly educate children, millions of Americans don't have access to adequate healthcare, and crumbling roads and bridges threaten the U.S. transportation system. Although it is true that many of these things are overstated and are simply being used to justify increased government spending, there is no question that *some* Americans are hungry, poor, or homeless, *some* Americans don't receive a quality education or adequate healthcare, and *some* American infrastructure is in need of repair. Although opponents of the welfare and nanny states and proponents of limited government and the Constitution don't favor federal spending on these things, it certainly makes much more sense for U.S. taxpayers to be paying to repair American roads and bridges, feed and educate American children, fight poverty in America, house American homeless, and care for Americans who are sick than to do these things for people that most Americans don't know in countries that most Americans couldn't find on a map.

The sixth problem with foreign aid is that it helps perpetuate the myth that without the intervention of the U.S. government, the response to a problem in some foreign country would not be provided soon enough, or be done well enough, or be sufficient to meet the need. This myth is certainly bogus. Just look at all the private U.S. and international relief agencies. The American people are a generous people. They regularly donate millions of dollars for relief efforts whenever and wherever an earthquake, flood, or famine strikes. They would certainly give even more if they knew their government was not getting involved. Foreign aid crowds out private, charitable aid. It also removes from individuals the responsibility to do what they themselves should be doing to extend a helping hand to the needy.

The seventh problem with foreign aid is that it is more often than not just a means of bribing foreign governments, taking sides in disputes, imperialism, implementing some foreign policy objective, nation building, maintaining the U.S. empire of troops and bases that encircles the globe, or policing the world.

The Nature of Foreign Aid

Foreign aid is, in essence, foreign government aid, courtesy of U.S. taxpayers, to countries that most Americans couldn't find on a map and in some cases have never even heard of.

There is no telling what percentage of foreign aid actually makes it into the hands of people in foreign countries who are in real need, instead of lining the pockets of corrupt foreign regimes, their privileged contractors, and the crony capitalists in the United States that benefit from U.S. foreign aid spending. The U.S. government does not send checks to individuals in foreign countries who just experienced a natural disaster. No foreigner receives an aid package via the U.S. Postal Service.

The purpose, recipients, costs, and benefits of the aid are irrelevant. Foreign aid spending is simply appropriated by Congress and then money is confiscated from American taxpayers. Foreign aid is just the looting of American taxpayers. Yet, if the federal government sent to all households in the United States a list of all the countries in the world with a request to indicate which country they wanted to



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help and the dollar amount they wanted to give, how many households would write out a check?

No American should be forced to “contribute” to the aid of the people or the government of another country. The decision to aid foreigners, like the decision to aid one’s family, friends, or neighbors, is a decision that should be left up to each individual American. A free society includes the freedom to be unconcerned about the plight of refugees, insensitive to malnourished children, apathetic toward Third World poverty, and indifferent concerning natural disasters. It all comes down to the question of whether we are to have a society based on freedom or a society based on coercion.

This does not mean that there should be no charity; it simply means that the charity should be provided voluntarily. Otherwise, in fact, it is not charity at all but theft. The statist mind-set assumes that a free society will not help those who are truly in need; what a terrible indictment of freedom and of man.

If foreign aid is wrong in principle, then foreign aid is still wrong when the people in a foreign country suffer from war, poverty, famines, epidemics, floods, cyclones, tsunamis, or earthquakes. It doesn’t matter if foreign aid is a small percentage of the federal budget, is a small percentage of GDP, has bipartisan support, feeds the hungry, clothes the naked, shelters the homeless, treats the sick, educates children, drills wells, curbs drug production, or rebuilds infrastructure — it is still money taken from taxpayers by coercion and threats of force. It can and should be eliminated, entirely and immediately. It is bad enough that the federal government has welfare programs in the United States; it is even worse when welfare is exported.



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