



Written by [Michael Tennant](#) on June 3, 2011

Foreign Aid: Borrowing From Peter to Pay Peter

According to a [report](#) from the Congressional Research Service, in fiscal year 2010 the United States' top creditor nations received millions of dollars in foreign aid from the U.S. government. China, the number-one creditor, holding \$1.1 trillion in Treasury bonds, got \$27.2 million in U.S. aid. Brazil held \$193.5 billion in Treasury bonds and got \$25 million in aid. Russia, with \$127.8 billion in bonds, received \$71.5 million in aid; and India, with \$39.8 billion in bonds, received \$126.6 million in aid. Other creditors receiving foreign aid: Taiwan (\$575,000 in aid), Singapore (\$500,000), Thailand (\$16.7 million), Ireland (\$17 million), Mexico (\$316.8 million), Turkey (\$8.1 million), Poland (\$2.1 million), the Philippines (\$128.1 million), Colombia (\$461.1 million), Chile (\$1.3 million), Egypt (\$255.7 million), and Malaysia (\$2.2 million).



The report, requested by Sen. Tom Coburn (R-Okla.), did not include aid provided through the [Foreign Military Financing](#) account. Including such military assistance would significantly increase the total aid for several countries on the report. Colombia, for example, received \$55 million in military aid in 2010, Mexico received \$265.2 million, and Egypt received a whopping \$1.3 billion. Why Coburn chose to exclude military aid from the report is unclear, but it would certainly be embarrassing for the U.S. government to have Americans find out that it is borrowing from repressive regimes only to turn around and provide them with weapons and training to continue oppressing their citizens.

Coburn's statement on the report was succinct and on target:

Borrowing money from countries who receive our aid is dangerous for both the donor and recipient. If countries can afford to buy our debt perhaps they can afford to fund assistance programs on their own. At the same time, when we borrow from countries we are supposedly helping to develop we put off hard budget choices here at home. The status quo creates co-dependency and financial risk at home and abroad.

He failed to mention, however, that even if foreign aid were not dangerous, it should be ended simply because it is unconstitutional. Furthermore, nearly all the aid is being directed toward ends that would be unconstitutional even within our borders, not least of which is the war on drugs, which accounts for the bulk of U.S. aid to Mexico and Colombia.

Other ends are just plain laughable. China, for instance, got \$3.9 million for "rule of law and human rights," \$2.3 million for "good governance," \$1.2 million for "private sector competitiveness," and \$700,000 for "economic opportunity." Russia received \$6.5 million for "conflict mitigation and



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reconciliation,” \$3.5 million for “political competition and consensus-building,” and \$16 million for “civil society.” Why not give Arnold Schwarzenegger a grant for marital fidelity?

Common sense would dictate that borrowing money from a country only to return it in the form of foreign aid is a foolish policy that ought to stop. Ending foreign aid won’t cut the deficit by much, but every little bit helps, and it is the right thing to do regardless. Perhaps this report, combined with the public’s overwhelming support for eliminating foreign aid, will help convince Congress to borrow a little common sense from outside the Beltway and put an end to these unconstitutional wealth transfers once and for all.



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