



Written by [Beverly K. Eakman](#) on August 26, 2010

## State Department Ties Its Big Spending to “Good Governance”

Reporters for the Washington Times newspaper clearly took a measured, analytical view when they learned that a U.S. State Department agency most folks never heard of, the Millennium Challenge Corporation (MCC), has for six years been providing foreign aid to Third World countries that purportedly commit to “good government and democracy” — places like Senegal, home of massive government corruption and human-rights abuses, which will be getting a \$540 million grant next month.



MCC is also giving \$262 million your tax dollars to Moldova (in Eastern Europe between Romania and the Ukraine) to revamp the country’s road and irrigation systems, despite reports of pervasive corruption in government and education, plus hostile takeovers of successful businesses by “politically connected” persons. A whopping \$698 million went to [Tanzania \(in central East Africa\) in 2008](#) “to reduce poverty and stimulate economic growth by increasing household incomes through targeted investments in transportation, energy, and water,” despite overwhelming evidence of corruption by government agencies at every level, along with hospital workers, the media, and the police.

MCC was launched under President George W. Bush in 2004; he wanted Congress to provide some \$5 billion per year. The largest amount he received was \$3 billion. In the present fiscal year, Congress approved \$1.1 billion, which was \$320 million less than Barack Obama wanted for the MCC.

According to the *Times* article and the MCC website, countries are selected for grants according to a 17-point criteria, such as investment in education and economic freedom. What it amounts to, however, is the same tired practice of trying to buy good will from potentially unfriendly — and even downright hostile — countries. The approach almost never turns out well.

Meanwhile, we can’t repair our own nation’s 1940s-era, crumbling infrastructures: gridlocked obstacle courses for roads; public transportation systems devoid of adequate parking or shuttle accessibility; street signs nearly illegible to [14 million Americans with enough visual impairment to require corrective lenses](#); crumbling bridges and tunnels (e.g., the Big Dig mega-tunnel break-up in Boston and the I-35W bridge collapse over the Mississippi River in Minneapolis); [catastrophic failures of the flood protection system](#) along the Gulf Coast, despite the [Flood Control Act of 1965](#); massive cutbacks in trash collection and other basic services in most cities; police too busy “fighting terrorism” — one speeder at a time — to bother protecting the backbone of society from burglary and assault; and utilities — electric, gas, and water — that break or go down regularly, costing residents and businesses thousands of dollars annually.

William P. Henry, president of the [American Society of Civil Engineers \(ASCE\)](#) estimates that about \$1.6 trillion is needed just “to make things work as they should. We’re probably going to spend



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something in the order of 60 percent of that anyway on our [current] patch-and-pray approach."

Even in some of the highest taxed counties in the nation, like Montgomery County, Maryland, a suburb of the Nation's Capital, backup generators have become must-have household investment. This past July, back-to-back thunderstorms that lasted only 10 minutes resulted in five days of power outages in 95-degree heat for most residents. The dollars wasted tossing spoiled food and other power-related damages didn't hurt the utility company, Pepco, which turned a handy profit. That was a "last straw" for many homeowners, who [complained about county officials' lack of oversight](#). The county responded by threatening huge tax increases simply to encourage modernization.

Yet, for the past 18 months, Montgomery County had no trouble contracting for the installation of three types of "traffic" cameras — speed, red light, and surveillance — which has jeopardized safety and serve only to raise revenue. The county also installed massive numbers of unnecessary speed bumps at a cost of \$1,500 to \$2,250 apiece, according to the *Washington Examiner*. These bumps conveniently come in differing heights and materials not always obvious to the driver so that everyone, sooner or later, is sure to damage a vehicle, especially if the bumps are covered up by snow or ice.

Is this the kind of "good governance" the MCC wants to see replicated in developing nations? Even a top-drawer county in the United States can't seem to provide incentives for utility companies to move into the 21st century with underground systems replacing old, damaged, or failing high-wire cables and poles!

The DC Metro area is not unusual. The greater New York-Northeastern corridor's headline-making power failure in 2003 underscored what everyone already knew: No government agency at any level is taking infrastructure seriously, even while agencies like the State Department's MCC is shelling out billions for modernization projects in basket-case countries whose leaders pocket the money and clamor for more.

Former President George W. Bush announced in 2006 that it would take some \$87 billion to rebuild Iraq. The countries we rebuilt under the Marshall Plan, added to those we have since subsidized around the world at the behest of agencies like MCC, have meant that beneficiaries of our largesse are in better shape than we are.

It would seem that if the federal government wished to reward "good governance," it would want to apply the kinds of incentives it gives other countries to our state and local governments. Actually, that idea has already been tried. It's called "Best Practices" and has morphed from the U.S. Department of Education rewarding "good" teaching methods through cloned agencies at the state and local levels, to crime-control initiatives via the same set-up at the U.S. Justice Department, to Best Labor practices, manufacturing practices, government website practices, data-security practices, government contracting practices, dentistry practices, and even soccer practices. "Best Practices," in effect, has become a black hole for government greenbacks.

A hallmark of socialism is that all levels of government waste money until they are broke, or nearly so, as in [California](#). Yet, like California, they manage to find funding to [redraw the lines of legislative districts](#) so that responsible citizens, the kind who actually create jobs and serve as a tax base, have less power and eventually leave the state. Socialist-leaning local governments also shower freebies upon the chronically irresponsible, and divert monies to political power groups (e.g., [Association of Community Organizations for Reform Now](#) (ACORN)).

The latter is probably the most significant, because it explains how bureaucracies like MCC, under



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State Department's umbrella, robs citizens of billions and over time and eventually changes the type of government everyone gets.

[Matthew Vadum's excellent research piece for the Washington Times](#) last Monday explains how radical, anti-American groups operate surreptitiously year after year until they fear neither congressional defunding nor public outrage: "Despite dissolving its national infrastructure and laying off most its staff, ACORN continues to operate below the radar. It plans to resurface under a new name after the upcoming elections.... ACORN has rebranded its local operations in at least 13 states and the District of Columbia. Significantly, the state chapters are obtaining nonprofit status on their own as advocacy groups under Section 501c4 of the tax code. This is key because 501c4 status allows the new entities to largely conceal their financial activities."

Thus, occasional congressional defunding of these radical elements whenever a scandal emerges is not something that puts the offending organizations out of business. The 2nd Circuit Court of Appeals admitted as much when it ruled that the "withholding of appropriations [in such cases is] more an inconvenience than punishment." In fact, disreputable groups like ACORN often work for years in tandem with federal agencies under multiple administrations, as ACORN has with [U.S. Department of Housing and Urban Development \(HUD\)](#). Such affiliations allow radicals to utilize the resources of still other legitimate organizations, such as AmeriCorps, "to promote partisan objectives."

The *Times* report gave as an example "one of ACORN's most active renamed state chapters ... in Missouri. Missourians Organizing for Reform and Empowerment (MORE) ... led by veteran ACORN organizer Jeff Ordower ... is doing its part to sabotage the banking system..., [having] incited a near-riot at a Chase bank office in a St. Louis suburb" over financial institutions that tried to foreclose on defaulted mortgages. The ACORN chapter then attempted "to shake down Chase for some more money."

Eventually, all Americans get a kind of governance they never bargained for — the sort predicted by none other than [the late Senator Joseph McCarthy](#).

Senator McCarthy's predictions just keep on being proved right: Radical stealth groups like ACORN are behind much of what taxpayers rightly perceive as being fleeced. These groups embed themselves within government agencies and make use of any "partnering" organizations. This results in radicals becoming well-connected politically, and financially solvent even when temporarily under fire in Congress and the press, and in control of tentacles that reach far into the operations of agencies most voters don't even know about.

In the end, they cost taxpayers billions, as with the State Department's MCC, and nobody knows how or why. Senator McCarthy predicted this outcome when he stood up against socialist infiltration in Washington, exposing literally hundreds of operatives operating incognito in the bureaucracy between the years 1951 and 1955. In a now-famous speech from February 1950, the Senator revealed a list of known communists working for — guess where? The State Department.

What the Senator didn't know was that his warnings were too late even in the 1950s, that the far Left had already penetrated so much of the media and government that socialists could move forward with their agenda — rules and regulations and redistributions of wealth via government "incentives" and "humanitarian aid" that would eventually break the country. While Senator McCarthy knew his basic thesis was on target (much of it proved once and for all with the release of the declassified Verona Files Project in 1995), he was blindsided by the sheer strength of the counter-offensive against him that



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ended in his censure (silencing) in 1954 in the U.S. Senate.

Senator McCarthy's ongoing vilification by the Left continues to this day, and silencing constitutional purists ("conservatives," "right-wingers," "Tea-Partiers," etc.) has been raised to an art form. But when we wonder how so many of our tax dollars wind up shoring up hostile countries' infrastructures, while our own is left to disintegrate, well, even the flower-child Boomers of the Sixties can see it, and now they are cynical. It has gotten so bad that whenever something like a needed power plant or subway system manages to make it to the ballot, voters have figured out that a "yes" vote will result in the money either being diverted, or hung up for years while frivolous studies are conducted, compounding the cost of the original estimate. So taxpayers just say no, reflecting their expectation that the project will not be completed even after the predictable tax hike to fund it. The situation is exacerbated by environmental extremist groups — many of them as disreputable, aggressive and intimidating as ACORN, and far more interconnected than most Americans realize. In [Alinsky](#)-esque fashion, they delight in throwing a monkey wrench into anything that smacks of innovation, all the while insisting they represent "progress."

Readers who believe the headline to this article are probably individuals who would have committed suicide upon hearing Orson Welles 1938 Halloween radio broadcast of *War of the Worlds*. Unless U.S. candidates for 2012 expect America to join the ranks of has-been super-powers and Third World dictatorships, they might want to think about axing agencies like MCC and improving our own country's governance instead those halfway around the world.

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