

FOREIGN AFFAIRS

Foreign Aid That Ain't So Foreign

by R. Cort Kirkwood

As 1995 drew to a close, Senate Democrats and Republicans were still debating Foreign Relations Committee Chairman Jesse Helms' legislation to restructure the State Department and its ancillary agencies. Helms wanted to jettison the United States Agency for International Development, the Arms Control and Disarmament Agency, and the United States Information Agency, fold their functions into the State Department, and then chop 30 percent of foreign policy funds from the Clinton administration's fiscal 1996 budget request. USAID complained the loudest, unwittingly revealing that more than 80 percent of foreign aid from AID never crosses Atlantic or Pacific shores. It stays right here in the United States. AID is, to use the latest cliché, a corporate welfare agency.

AID bureaucrats are strangely proud of this fact and distributed an inch-thick paper documenting the billions of dollars it spends in each of the 50 states. Using individual headings with the verbiage, "Foreign Aid for [fill in your favorite state]," AID made a strong case to every pork barrel in Congress.

The big winners among the 50 states, as you'd expect, are those in proximity to River City and those boasting a large congressional delegation. The Old Dominion collected \$936.1 million in AID contracts. After New York, with contracts worth \$889.6 million, Maryland came in third with \$686.4 million. Thus does \$1.6 billion flow directly into the Potomac Basin. Most of these firms are the "Beltway bandits" whose only job seems to be securing new government contracts when the old ones expire. And with the exception of Booz Allen & Hamilton, which holds a \$29 million

contract for privatization efforts in the former Soviet Union, they are unknown to most Americans.

Across the country, however, the story is different. AID's list could well be mistaken for the Fortune 500. GM, Ford, and even individual dealerships receive money from AID. A dealer in New Jersey sold AID a four-wheel drive Chevy Suburban. In fiscal 1994, the Land O'Lakes company of Minnesota held \$24 million in AID contracts. Among other things, it was promoting "cooperation among agricultural and food producers and [enhancing] the governance of cooperatives in the free world," as well as providing "support for in-country training programs for artificial insemination of dairy cattle." In its survey of AID contracts, the Heritage Foundation uncovered a contract for Romanian architects to study American architecture; another one awarded \$1.3 million to supply street lamps to Moscow "at the same time the Russian government is planning to spend more than \$1 billion to make war on the people of Chechnya."

Naturally, AID's money doesn't always travel directly from the Treasury Department to corporate bank accounts. Sometimes, it even reaches the target country, which in most cases seems to be Egypt, Jordan, or another nation in the Middle East, which then uses the cash to buy American products. Beneficiaries of this "round-tripped" money include corporate titans such as Xerox, Clorox, Otis Elevator Corporation, IBM, Westinghouse, General Tire, Philco, and Dow Chemical. With this kind of money floating around, it is small wonder that AID has corporate support. As Brian Johnson of the Heritage Foundation said, "I laugh when I hear [AID director] Brian Atwood talking about starving babies. The only people that will be starving [if Congress cuts foreign aid] are the [American] contractors who benefit from it."

It has long been known that American aid to the Third World has done little more than subsidize oppressive governments. If you don't believe it, you might ask why, after 30 years of AID programs, television viewers are still treated to nightly scenes of starving, bloated children on the evening news. That truth begs the question of why American aca-

demics who study these matters don't call for an end to AID's charitable ministrations. The answer may lie in the millions of dollars AID packs off to American universities, money that pays for exotic and far-flung research projects and lines the pockets of professors at Yale, Rutgers, and Harvard, and at the universities of Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Rhode Island, and South Carolina. Indeed, if there's a university that isn't on AID's payroll, the board of trustees should fire the dean.

Oddly, speaking with corporate executives about the possibility of losing AID's largesse ruffled no feathers. They didn't believe they would get kicked off the gravy train, no matter what happened to AID. As the communications director of one huge firm told me, "Regardless of what [the agency is called] the U.S. government's aid to certain foreign countries will continue because it is of strategic importance." Referring to the proposal to roll AID into the State Department, she said, "[We] don't feel there will be a material impact because these kinds of programs are going to have to continue whether [AID] exists as a stand alone agency or not."

The truth is, democracy is only a side benefit of AID's foreign policy bureaucracy. The real purpose, as Representative Jim Moran explained, is commercial, or to use the impolite term again, corporate welfare. Moran, a Democrat representing Virginia's eighth district, a big beneficiary of AID's money, strongly opposes cutting AID's budget or handing its functions to the State Department. "AID creates markets for our products. That is its mission," he said. "What AID does, and it may be a well-kept secret, is promote business opportunities for American firms. They are in the business of selling expertise. That's why northern Virginia is such a major beneficiary. We are selling our expertise in terms of health reform and medical consulting, democracy building, good government expertise and then we help them create infrastructure." Moran concedes that AID's mission may have been philanthropic at the time when President Kennedy came up with the idea. But not anymore. AID's mission, he said, "is an economic mission, a well jus-

tified one.”

Even when AID talks about the salubrious effects of its programs, which address everything from Third World overpopulation to AIDS, an American beneficiary lurks in the shadows to pick up the booty. Along with the directory listing American companies that benefit from AID contracts, AID released a report documenting the global harm that would follow a cut in its budget. “A 30 percent budget cut would result in an estimated 600,000 more unintended pregnancies . . . 420,000 additional births, 180,000 more unsafe abortions, and 4,000 maternal deaths,” AID fretted, as well as “180 million fewer condoms distributed by USAID, and thus more than two million new HIV infections.”

The condoms are supplied by a manufacturer in Dothan, Alabama, that was receiving 80 percent of its revenue from its \$55.3 million contract with AID.

R. Cort Kirkwood writes from Arlington, Virginia.

Democracy and Declarations of War

by Gregory D. Foster

The winter Balkan lull has let Congress off the hook for rolling over and playing dead in response to President Clinton’s dispatch of troops to Bosnia. It is cruel irony that the fewer casualties American troops sustain, the more likely we are to continue permitting further such devaluations of democracy. That will accentuate the eternal verity Congress has reaffirmed: Those who can, do; those who can’t do, teach; those who can’t do or teach, preach.

Preaching is what the United States does best. We sermonize, evangelize, proselytize, and moralize, incessantly enjoining the rest of the world to do as we say, not as we do. But it is this very hypocrisy—the failure to practice at home what we preach abroad—that threatens to become America’s strategic undoing. The ultimate culprits for this looming strategic castration—the preachiest of us all—are the members of this country’s self-ordained ruling class,

whose obsession with the tactics of low politics has so sullied the conduct of statesmanship and statecraft.

Strategy has always been about the effective exercise of power. In this post-modern era, strategy is no less about the effective management of perceptions—the creation and projection of images, the manipulation of symbols, the construction (and deconstruction) of reality. The case with which we are able to wield power depends, in the main, on the credibility we have established—on the correspondence between our actions and our words, on the quality of our performance when we do act, on how consistently we adhere to the principles and values we espouse.

By advocating peace but spending lavish sums to maintain a massive military establishment armed with the world’s most lethal weaponry, by endorsing arms control but engaging in the promiscuous development and sale of the most sophisticated armaments, by unabashedly proclaiming ourselves the world’s only superpower but refusing to accept responsibility for providing visionary global leadership, by extolling principle but repeatedly bowing to expediency, we undermine our credibility and thereby produce our own progressive strategic debilitation.

Our most flagrant hypocrisy, though, is reflected in our facile preachments on democracy: holding ourselves up as paragons of democratic virtue and pressing others to emulate us in the interest of democratic “enlargement,” even as our domestic politics betray a penchant for autocratic methods.

The importance of such tendencies lies in the fact that in all matters strategic, the effective exercise of power depends on something more than just the wherewithal at our disposal—more, that is, than on superior wealth or force, diplomatic acumen, technological advantage, or cultural appeal. Especially where the stakes or threats are ambiguous, it depends on the collective will of the populace to act—a function of social cohesion and the broad-based consensus that only public trust and confidence in government can produce. Such trust and confidence are so vital to this country precisely because we do not practice true democracy. Rhetoric to the contrary, we never have.

America’s Founding Fathers, in seeking to counter the tyranny they considered the inevitable outgrowth of

concentrated power, predicated our government on the rule of law, the supremacy of the Constitution, the checks and balances of divided power and, most importantly, popular sovereignty. “The people who own the country,” said John Jay, “ought to govern it.” Bowing, however, to the dictates of order and efficiency, the Founders ensured that the “turbulent and changing” masses were only nominally in charge. The people, Hamilton opined, “seldom judge or determine right. Give therefore to the [rich and well-born] a distinct, permanent share in government [to] check the unsteadiness of the [masses].” And so our lesser forebears—the little people from whom most of us are descended—relinquished their fate and ours to a purportedly representative governing “elite,” whose exercise of circumscribed and

Accidents

by Harold McCurdy

For accidents of every sort I’m glad:
As, for example, that John Donne was
sad
When his Ann died, thus mingling in
the life
Of my own Ann—a daughter, not a wife
As his was. And I draw a most absurd
Comfort from knowing (as has been
inferred)
That Dante shared the thirtieth of May
With later and lesser me as his birthday;
For on that date the Convent of St.
Clare
Observed the feastday of St. Lucy there
Just outside Florence, and it’s Lucy who
From hell to heaven steadily kept in view
His welfare, as befits a patron saint.
Besides, she’s Light; and maybe what I
meant
At sixteen, on Black Mountain, praying
for light
Was that St. Lucy, as for Dante, might
Accept an ignorant boy’s unconscious
praise
And glimmer through the Dark Wood
on my days.