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The fifth plank of The Knights Party platform is to stop all foreign aid immediately. Hundreds of billions of dollars are sent overseas every year while our people remain in need, our schools need funding, our infrastructure needs rebuilding and our citizens fight to keep their bills paid. This money should be used to support the decaying Social Security and Medicare programs, to help send kids to college, and to rebuild our infrastructure.

The United States foreign aid policy of assisting under-developed, or developing nations is a noble effort worthy of praise and has established a reputation for the United States of America as being a generous and giving nation. In 1961, the United States Agency for International Development was established by executive order under former president John F. Kennedy to manage America's foreign aid programs. USAID has had an average economic assistance budget of \$9.55 Billion dollars per year between in 1962 and 2005; \$27,120 Million in 2006; \$27,654.7 Million in 2007; \$33,023.6 Million in 2008; and \$33,946.6 Million in 2009. Of the total of all economic assistance which USAID has provided, approximately 11% of the economic assistance was loaned, with only approximately 18% of loans currently outstanding. The American monetary commitment to foreign aid has culminated to a budget of \$47 Billion dollars for fiscal year 2012. America's commitment to ameliorating the human condition abroad in the name of humanitarian assistance, and national defense are particularly admirable. Such commitment to under-developed, and developing nations is noteworthy, but it provides little more than a \$47 Billion

dollar reputation for goodwill and generosity, with little return on investment as measured by support of American international diplomatic goals.

Foreign economic assistance grants as a tool of international diplomacy have been an investment with little measurable return. American foreign aid grants do not induce favorable diplomatic relations, and creates an atmosphere of entangling diplomatic relations between the United States of America, recipient nations, and third party nations. While aiding under-developed, and developing nations the American foreign aid program should exercise greater fiscal austerity by indefinitely discontinuing foreign aid grants, in favor of loans.

The annual growth of the United States foreign aid budget is an investment that provides little return in ways of diplomatic interests, or quantifiable benefit to Americans. In light of recent concerns over the federal budget and respect for popular demands for greater federal spending austerity and accountability, the discontinuation of foreign aid grants, in favor of providing loans, will be warmly received by the voting public and allow the federal government to provide foreign aid in a fully accountable, and quantifiable measure.

Foreign economic assistance does not buy support for United States international diplomatic goals as seen by non-coinciding votes in the United Nations General Assembly. An August, 2011 article published by The Heritage Foundation illustrates the disparaging lack of coinciding votes from recipient nations in the United Nations General Assembly between 1983 and 2010. The Heritage Foundation is a leading research and education institution committed to, among other ideals, strong national defense. Brett Schaefer, writing for The Heritage Foundation, reports that nine of the top ten recipients of American foreign aid voted in coincidence of American

interests on average of ~25% of the time. Schaefer further notes that, "Analysis conducted by The Heritage Foundation on more current data found no significant relationship between U.S. foreign aid and recipient countries' support for U.S. policy positions in the General Assembly over the past decade." Schaefer's reporting with The Heritage Foundation suggests that recipient nations are largely unswayed by the promise of providing, or the revocation of foreign aid.

Such a condition was exemplified most recently by the Palestinian Authority while seeking official recognition of statehood from the United Nations. Preceding the September, 2011 request for recognition of Palestinian statehood by Mahmoud Abbas at the United Nations General Assembly, a variety of bills were drafted by the house and senate which were designed to discourage the Palestinian Authority from requesting statehood. Jim Zanotti, and Marjorie Bowers, researchers for Congressional Research Services, published a report titled, "Palestinian Initiatives for 2011 at United Nations." In this report, Zanotti and Bowers provide details on nine House Resolutions, and one Senate Resolution which were designed with the explicit intent of discouraging the Palestinian Authority from requesting recognition of statehood. Among these bills was House Resolution 268 which was passed in July, 2011 during the 112th session of congress. Among other recommendations which the bill made, it "[urged] the administration to consider suspending assistance to the Palestinian Authority pending a review of the unity agreement..." Following this recommendation, an almost \$200 Million dollars in aid for the Palestinian Authority was blocked by three congressional committees in August, 2011. In spite of having aid severely curtailed, Palestinian President Mahmoud Abbas delivered a request for recognition of Palestinian statehood at the United Nations General Assembly in September,

2011.

Another concern about foreign aid grants is the great potential and risk of improper use of grants. Dangers of improper use of foreign aid grants are that the amount of benefit provided is not commensurate with the amount of money spent. An August, 2009 report from the United States Agency for International Development reports that a 1.8 Million dollar, five year grant bought water cisterns for the city of Nouakchott, the capital city of the Islamic Republic of Mauritania, and that 12,000 people were benefited by these new water cisterns. The Central Intelligence Agency World Fact Book reports that in 2009, Nouakchott had an estimated population of 709,000, while the Department of State reports a current population of an estimated one million people. These figures indicate that approximately a scant 1.5% of the population of Nouakchott benefited from the grant, to say nothing of the approximate three million people currently residing in more remote portions of Mauritania.

As previously mentioned, foreign aid frequently provides little return on investment in way of diplomatic interests. A November, 2011 article was published in The New York Times titled, "To Save Our Economy, Ditch Taiwan." The writer, Paul V. Kane, is a former international security fellow at the Harvard Kennedy School, and is a Marine who served in Iraq. Mr. Kane suggests that Pres. Barack Obama could persuade Chinese leaders to cancel \$1.4 Trillion in debt currently held by China in exchange for discontinuing foreign aid to Taiwan. Quoting Mr. Kane from his New York Times article, "[Pres. Obama] should make it clear that today American jobs and wealth matter more than military prowess. As Adm. Mike Mullen, then chairman of the Joint Chiefs of Staff, declared last year, 'The most significant threat to our national security is our debt.'"

Writing for the 2012 Executive Budget Summary on Function 150& Other International Programs, Secretary of State Hillary Clinton says that every business owner she knows would, "...gladly invest less than \$4 in order to save \$45." In keeping with this sentiment, an investment of zero dollars in order to save \$1.4 Trillion dollars is a deal which warrants much consideration.

The fiscal year 2012 Executive Budget Summary of Function 150& Other International Programs requested a budget in the amount of \$47 Billion dollars. The Function 150& Other International Programs 2012 budget is 1% larger than its 2010 budget, and the exercise of fiscal restraint is dually noted in this case. However, there still exists the problem of annual increases of foreign aid grants and the increasing demands of recipient nations. Increasingly restrictive constraints on international trade policies create entangling international relations and other conditions which necessarily dictate what types, and the amount of aid which may be provided to certain countries. The Naval Vessel Transfer Act of 2008 was designed to govern the sales of defense items to other countries. The Naval Vessel Transfer Act of 2008 also defined that Israel will have a qualitative military edge over other nations in the Middle East. The term qualitative military edge is defined by the Naval Vessel Transfer Act of 2008 as,

"the ability to counter and defeat any credible conventional military threat from any individual state or possible coalition of states or from non-state actors, while sustaining minimal damages and casualties, through the use of superior military means, possessed in sufficient quantity, including weapons, command, control, communication, intelligence, surveillance, and

reconnaissance capabilities that in their technical characteristics are superior in capability to those of such other individual or possible coalition of states or non-state actors."

This uniquely constraining condition of international trade necessarily restricts the transfer of potentially advantageous defense items to countries regardless of the actual, or stated purpose.

The highly contentious nature of foreign aid is evidenced by public opinion polls as well. Polls conducted by the Program on International Policy Attitudes indicate that Americans are highly supportive of foreign aid in principle, yet the perceptions of money spent on foreign aid, and its effectiveness, are generally reported in very poor favor. In a 2001 poll of the American public by the Program for International Policy Attitudes, 77% of respondents "fully agreed" to the statement, "Too much US foreign aid goes to governments that are not very democratic and have poor human rights records. This is not consistent with American principles." The Program for International Policy Attitudes asserted that public support for foreign aid is most high at a time when the American economy is most strong and that support was the lowest during times of a poor economy, citing differences between a 1995, and a 2001 survey of the American public on their attitude on foreign aid. The Program for International Policy Attitude concluded their study of various surveys by stating that,

"In the six years since PIPA's 1995 study it appears that there has been a discernible shift in the public's attitudes about foreign aid. While in 1995 a strong majority wanted

to cut foreign aid, this has now dropped to a minority, albeit still a substantial one ... One possible explanation for this change is the good economy. Americans may feel that they can afford to be more generous during these prosperous times."

Popular demands for fiscal austerity from such groups as the TEA Party, and Americans for Prosperity have been echoed by Republican presidential candidates in recent debates. Responding to the topic of U.S. foreign aid at the Spartanburg, S.C. Republican presidential debates, Republican presidential candidate Newt Gingrich indicated that a significantly more austere approach to levying foreign aid must be considered. As reported by United Press International, Gingrich stated, "You start off-- or in the case of Egypt, \$3 billion a year -- you start off every year and say here's your \$3 billion, now I'll start thinking? ... You ought to start off at zero and say, explain to me why I should give you a penny." By discontinuing foreign aid grants in favor of providing loans, it will be possible to provide a positive response to the demands for greater fiscal austerity while still being preeminently positioned to provide foreign aid loans with reasonable terms of repayment.