

# U.S. Foreign Aid: Serving American Interests

*“It has become clear that America’s civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long – relative to what we traditionally spend on the military, and more important, relative to the responsibilities and challenges our nation has around the world....For the first time in a long time, I sense real bipartisan support in Congress for strengthening the civilian foreign affairs budget.”*

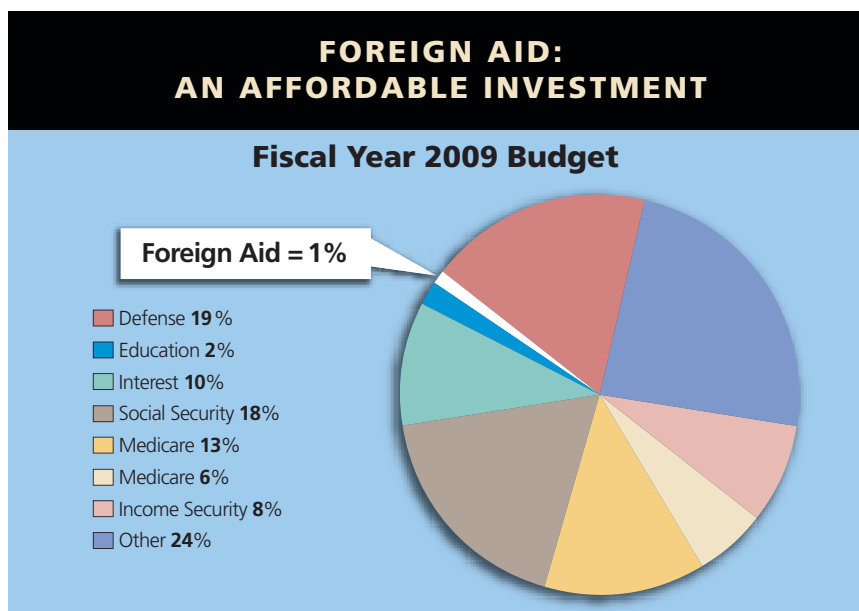
— Secretary of Defense Robert Gates (July 15, 2008, U.S. Global Leadership Campaign Tribute Dinner)

**Foreign aid, at about one percent of federal spending, is an essential, cost-effective tool for promoting American interests abroad and supporting our vital allies such as Israel. A robust international affairs and foreign aid budget reflects our humanitarian and democratic values and is critical to bolstering American national security and to building overseas markets for American goods and service and, in turn, creating jobs here at home.**

## Key Principles of Foreign Aid

### Foreign Aid Bolsters American Security

Foreign aid is an essential component of U.S. national security strategy that supplements our defense budget. Foreign aid advances economic development and political stability in countries where radical opponents of peace use terror in an effort to destroy the prospects for reconciliation. Foreign aid programs help keep threats from our shores by supporting international efforts to curb the proliferation of weapons of mass destruction, stop narcotics trafficking, fight terrorism and thwart other criminal activities.



# For decades, presidents and lawmakers from both parties have strongly backed foreign aid.

## Foreign Aid Promotes Peace and Democracy

In the Middle East, and in other regions, U.S. aid bolsters friendly countries as they take substantial risks for peace after decades of violent confrontation. The United States provides critical security assistance to Israel, which helps the Jewish state maintain its qualitative military edge and feel secure in pursuing diplomatic talks with the Palestinians and Arab states such as Syria.

## U.S. Foreign Aid Spurs Assistance from Our Allies

As the world's sole superpower, the U.S. plays an indispensable role in the world. Nonetheless, we cannot and should not have to act alone. When the United States tangibly demonstrates its commitment to play an active leadership role, it is often able to secure the assistance of others, thus reducing America's financial share.

## Foreign Aid Creates Jobs Here at Home

By law, nearly all U.S. assistance must be spent on American-produced items. U.S. jobs that produce U.S. exports pay more: an estimated 13 percent to 18 percent more than the U.S. national average. Aid helps developing nations establish fair business codes, viable commercial banks and reasonable tax and tariff standards. This assistance helps create the necessary stable business environment and uniform standards for U.S. companies to operate.

### SOLID INVESTMENT: How Aid Benefits Israel and the United States



#### Signal of Support

Assistance shows Israel's adversaries that American commitment to the Jewish state is unwavering.



#### Industry Boost

The bulk of U.S. military aid is spent by Israel on procuring American defense products.

#### Defense Expertise

Joint U.S.–Israeli strategic cooperation helps develop new technologies for protecting Americans and Israelis.



#### Qualitative Edge

American aid helps Israel maintain military superiority and counter the great disparity in defense spending by Arab states and Iran.



### **Foreign Aid Supports Transitions to Democracy**

Foreign aid helps stabilize the economies of fledgling democracies and assist them in developing open and free political institutions. Democracy-building programs in Central America and Eastern Europe help organize free and fair elections, support due process, train future leaders and protect human rights. Foreign aid is being targeted to root out corruption in countries all over the world and help them build accountable governments and free market economies.

### **Foreign Aid Supports our Humanitarian Values**

Through our foreign aid program, the U.S. has led the world in supporting programs to reduce the spread of HIV/AIDS and other diseases. U.S. aid fights poverty and promotes economic and social development through programs that provide disaster relief, food aid and clean water to communities across the globe. Through this aid the U.S. reaches the most vulnerable populations and helps to create self-sufficient economies and empower women and the most disadvantaged.

### **Bipartisan Support for Foreign Aid**

For decades, presidents and lawmakers from both parties have strongly backed foreign aid and recognized its vital role in promoting U.S. foreign policy goals abroad. Over the past eight years, led by President George W. Bush, the U.S. has increased funding for foreign aid from \$15 billion to \$26 billion. President Obama has pledged to double U.S. foreign assistance spending by 2012 while also committing to

implement the 2007 U.S.-Israeli Memorandum of Understanding that calls for the United States to provide \$30 billion in assistance to Israel during the next decade.

**Foreign aid is being targeted to root out corruption in countries all over the world and to help build accountable governments and free market economies.**

President Obama and Congress should work to provide the necessary resources to support the vital foreign aid and diplomatic programs that will help the United States maintain a strong leadership position around the world.