P.S. to the NEWS
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## U.S. AID TO LESS DEVELOPED COUNTRIES

The fantastic growth of the ripoff involved in taxing the American people to provide handouts to the less developed countries (LDC) is new proof of the old adage that "great oaks from little acorns grow." It started with a mere $45 million in 1949. By 1979 it had grown to $3,718,200,000 in direct U.S. aid, plus another $1,591,543,000 in contributions to assorted international handout agencies where we put up the money but don't even get credit for our generosity.

Aid to the LDCs started with President Harry Truman, but he wouldn't recognize it today, and there is no indication he would like it if he did. He was a practical man who supported NATO, the Marshall Plan, and Greek-Turkish aid as an integral part of American national security against Soviet expansionism.

In a 1949 speech, he included incidentally a low-pressure statement that "we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas..." That simple sentence became known by the uninspired name of "Point Four."

It remained for later Presidents, who had imaginative speech writers and phrase-makers, to turn Truman's "Point Four" into a high-pressure propaganda effort to siphon American tax dollars into faraway countries. "Point Four" went through "major reforms" as it "adapted to changed world conditions," evolving into "New Directions" and then into "Basic Human Needs."

Naturally, the escalation in the rhetoric was exceeded only by the escalation of the cost. The program lost all relation to U.S. security interests. One State Department analyst in 1973 frankly referred to aid to LDCs as an "area where the issues are in search of a coherent policy."

In the 1950s, new nations were declaring themselves independent even faster than State Department bureaucrats could say "we'll set up an aid program for you." By 1962, 30 new nations had emerged in Africa alone. The intellectual elite which always thinks

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it knows better how to spend our hard-earned money than the people who toil for it began to write imperiously about "the responsibilities of the United States toward furthering global economic development."

The imaginative internationalists have created a variety of multilateral "development" banks as conduits for U.S. tax dollars. They include the International Development Association (the soft loan window of the World Bank), the Inter-American Development Bank, the Asian Development Bank, the Fund for Special Operations, the Consolidated Special Fund, the African Development Fund, the International Bank for Reconstruction and Development, and the Asian Development Fund.

President Carter has pledged to double U.S. bilateral foreign aid to developing countries. But still there is no coherent reason why the American taxpayers should be taxed at the present confiscatory levels in order to send so many billions of dollars into the bottomless pit of LDCs.

We are told that we need what the LDCs can produce, especially such products as petroleum, tin, bauxite, and natural rubber. If it is commercially profitable to buy such products, Americans will buy them from any foreign country. If it's not commercially profitable to buy such products, they should not be subsidized by the taxpayers.

The internationalists try to tell us that foreign handouts are a good deal for Americans. But if foreign investment is a good deal, it does not have to be subsidized by the taxpayers. Actually, by 1976, U.S. direct investment in developing countries had increased to $29.1 billion. However, the other side of the coin is that the LDCs owed $17 billion to the United States.

The promoters of foreign aid try to hook Americans on the spear of guilt because the United States is so rich and LDCs are so poor. But American foreign aid will never solve that problem. Many of the LDCs are richer in natural resources than was the continent of America when our forefathers carved a great nation out of the wilderness.

If the less developed countries would like to be more "developed" like the United States, they should try our formula for economic prosperty: economic freedom and private enterprise. When American investors don't fear socialist expropriation or reneging on contracts, U.S. private capital will pour into the LDCs. Just like what has happened on the prosperous island of Taiwan, to cite just one example. (end)