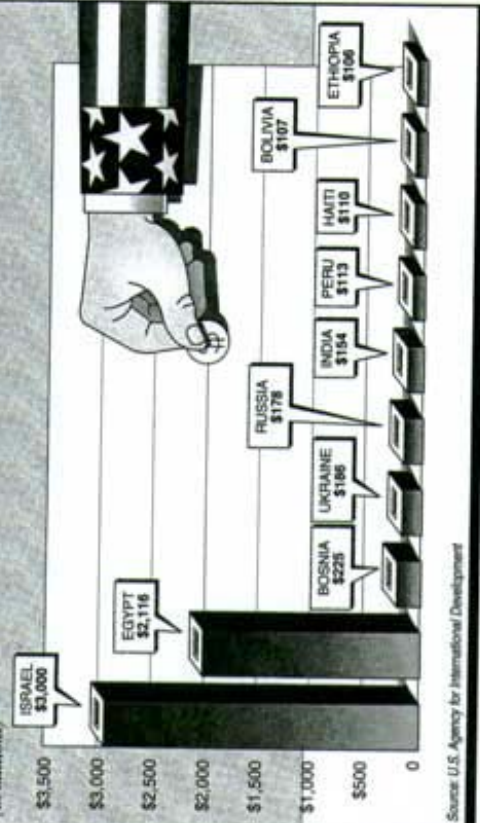


Recipients of U.S. Aid

The largest recipients of U.S. bilateral economic and military assistance in fiscal year 1997 (in millions)



Source: U.S. Agency for International Development

Many Americans believe that the United States is too generous with foreign aid.

World War II, the United States mounted one of the largest relief efforts ever to help devastated European nations recover from the war. This program, called the Marshall Plan, helped restart the world's economy and boost the health of potential U.S. allies. Officials believed the relief program would help combat the "real enemies" of democracy: "hunger, poverty, desperation, and chaos."

The United States currently commits less than 1 percent of its annual federal budget to foreign aid each year—about \$15 billion in 1996. However, some members of Congress want to eliminate foreign aid because they believe it is ineffective and that the funds would be better spent on programs at home.

U.S. aid is mostly bilateral (two-sided)—it goes directly from the United States to another country. For the least developed countries, U.S. aid provides basic humanitarian support to feed the hungry and treat the sick. Aid can also help raise the standard of living and enable developing countries to buy more American products. Bilateral aid is also used for security purposes.

Development and Humanitarian Assistance. The U.S. government provides development and humanitarian assistance to developing countries to build roads, hospitals, schools, and power plants. For people in many of these countries, U.S. aid may make a difference between life and death by providing them with food and medical care. The funds are channeled through the U.S. Agency for International Development (USAID), which oversees a variety of programs. For instance, USAID sponsors agriculture, rural development, and nutrition programs, which help increase crop production in other countries. In 1995, some members of Congress proposed that funding for USAID be reduced, while others argued that the agency helps prevent unrest in developing nations and should be spared.

Security Assistance. The United States also provides foreign aid in the form of security assistance. Security assistance is designed to strengthen the armed forces



As many Americans call for a decrease in foreign aid, nongovernmental organizations trying to raise money for the world's needy from private charities, such as the Red Cross, participated in the relief effort pictured here.