

Budget and Spending Task Force

Weekly Report

Congressman Jim Jordan (R-OH), Chairman

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\$92 Billion War Supplemental to Be on Floor Next Week

Tomorrow, the House Appropriations Committee will markup a FY 2009 supplemental bill. Of the \$92 billion of spending in the bill, \$81.6 billion is provided for ongoing operations in Iraq and Afghanistan. The remaining \$10.4 billion is provided for non-war spending for items such as foreign aid, pandemic flu, wildfire suppression, and radio systems for the Capitol Police. The \$10.4 billion of non-war spending is divided as follows:

- ➤ \$1.52 billion for economic development and diplomatic operations in Afghanistan.
- ➤ \$2.3 billion for economic aid, embassy and consulate security, and other aid for Pakistan.
- > \$968 million for aid to Iraq.
- ▶ \$665 million for economic assistance to the West Bank and Gaza.
- > \$250 million (\$100 million for economic assistance, and \$150 million for security assistance) for Jordan.
- \$360 million for Egypt.
- > \$555 million for security assistance for Israel.
- > \$74 million for security assistance for Lebanon.
- ➤ \$500 million for international food assistance.
- ▶ \$343 million for refugee assistance.
- > \$200 million for international disaster assistance.
- ▶ \$837 million for United Nations peacekeeping missions.
- ▶ \$100 million for the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- ▶ \$470 million of aid to Mexico (for the government's war against organized crime and drug-trafficking).
- > \$242 million for the nation of Georgia.
- > \$300 million intended to address the global financial crisis in developing countries.
- > \$2 billion for pandemic flu response.
- > \$55 million for nuclear non-proliferation.
- > \$17 million for Department of Justice counter-terrorism activities.
- > \$250 million for wildfire suppression.
- ➤ \$71.6 million for the Capitol Police for modern digital radio systems.

President Obama Proposes \$210 Billion Tax Increase

On Monday, President Obama proposed to raise taxes by \$210 billion over ten years by limiting the ability of American businesses to defer U.S. tax on their foreign income and by reducing the value of the credit for foreign taxes paid. According to the Administration, these proposed tax increases are meant to go after so-called "offshore tax-havens." But this tax increase proposal could harm the competitiveness of U.S. companies, and could cost American jobs. According to J.D. Foster of the Heritage Foundation: "For every worker employed by a U.S. subsidiary in a foreign country, 2.3 Americans are employed in the U.S. And a 10 percent increase in foreign investment by businesses has been associated with a 2.6% increase in investment in the businesses's home countries."

California Has 5,000 Public Retirees with Pensions in Excess of \$100,000 a Year

According to the supporters of the so-called "stimulus" bill, one of the aims of this legislation was to provide federal aid to state governments facing budget deficits. But as many critics of the bill pointed out, some state governments are facing fiscal problems due to over-spending on questionable priorities—such as excess compensation for public employees. As one example of this, the California Foundation for Fiscal Responsibility (CFFR) recently reported that nearly 5,000 retired state and municipal workers are collecting more than \$100,000 a year from public pensions.

Quote of the Week: "The Europeans have had two, maybe three fine failures in their application of cap and trade. How do we avoid the mistakes they have made?... Nobody in this country realizes cap and trade is a tax, and it's a great big one."

-Representative John Dingell