

Congressman Jim Jordan (R-OH), Chairman

May 13, 2009

\$97 Billion War Supplemental to Be on Floor This Week

Tomorrow, the House will consider the FY 2009 supplemental. The legislation provides a total spending level of \$96.7 billion, \$84.5 billion of which is dedicated to ongoing operations in Afghanistan and Iraq, and \$12.2 billion for non-war spending. The non-war related spending includes:

- \$1.52 billion for economic development in Afghanistan.
- \$2.3 billion for economic aid, embassy and consulate security for Pakistan.
- \$968 million for aid to Iraq for diplomatic operations, etc.
- \$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 for 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.

Quote of the Week:

"Failure is to capitalism, what sin is to religion."

-Allan Meltzer

None of this \$12 billion in non-war spending is offset. The bill provides a 44% increase over the President's request for programs that could otherwise be funded by the FY 2010 State-Foreign Operations bill, which allows House Democrats to evade the FY 2010 budget resolution's 302(a) allocation by \$2.6 billion.

Trustees Report: Social Security and Medicare Outlook Worsens

Yesterday, the Social Security and Medicare Trustees released their annual report on the long-term health of the federal government's two largest retirement programs. Social Security is facing a projected 75-year (present value) unfunded obligation of \$5.3 trillion. Medicare's financial difficulties are substantially worse with a projected 75-year unfunded obligation of \$37.8 trillion. Over the infinite horizon, Social Security's unfunded obligations come to \$15.1 trillion and Medicare's to \$88.9 trillion. The date at which the Social Security Trust Fund is projected to be exhausted moved up four years, from 2041 to 2037. Medicare's Trust Fund is projected to be exhausted in 2017, which is up two years compared to last year.

CBO: Federal Government Records April Deficit for First Time Since 1983

According to CBO, the federal government ran a deficit of \$799 billion through the first seven months of FY 2009. For April, the federal government ran a deficit of \$19 billion—the first April since 1983 that the federal government has failed to run a surplus. Revenues are *down* 19.1%, and outlays are *up* 20.6% compared to this time last year. The President's budget projects that the final FY 2009 deficit will come in at **\$1.84 trillion**—four times the amount of any previous deficit in U.S. history. The federal government will borrow 46 cents for every dollar it spends in FY 2009.

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