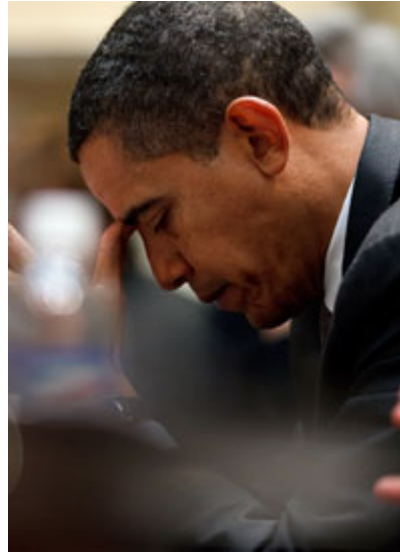




Obama's Budget: Waste and Giveaways

The problem is, Obama's budget reveals he is spending like deficits don't matter and waste is a vital growth industry. The budget proposes a \$1.2 trillion deficit for fiscal 2010 (bailout funds will make 2009 deficit top \$2 trillion), and that's just the deficit he'll admit to. The actual deficit will be much higher when realistic GDP growth figures — rather than his Pollyannish growth projections — are actualized. Obama's budget proposal openly calls for \$500 billion-plus annual deficits every one of the next 10 years and a deficit that increases over time.



Even with Obama's much-touted but paltry \$17 billion in "cuts," federal spending would increase nearly \$600 billion - nearly 20 percent - over fiscal 2008. "If approved by Congress," even the leftist [Washington Post admits](#), "those trims would amount to only about half a percent of the \$3.4 trillion federal budget." In other words, the "cuts" proposed by Obama aren't really cuts because they are overwhelmed by massive spending increases many times the amount of the supposed cuts.

Obama said during that same statement: "We're doing everything that we can to create jobs and to get the economy moving while building a new foundation for lasting prosperity — a foundation that invests in quality education, lowers health care costs, and develops new sources of energy powered by new jobs and industries."

The problem with that promise is that Obama's budget [Appendix](#) reveals that a good percentage of the money for our new economic foundation is for other countries. He creates a \$323 million Civilian Stabilization Initiative for "reconstruction and stabilization assistance" aimed at stabilizing civilian economies abroad.

Quality education? Obama would increase education funds going abroad. The "Educational and Cultural Exchange" programs of the State Department would increase from \$522 million to \$589 million, a more than 12 percent increase.

One of the hallmarks of Obama's plan for economic recovery is creating clean-energy technology programs and using that to U.S. economic advantage. But his foreign aid program calls for creating a new \$500 million global Clean Technology Fund and a new \$100 million Strategic Climate Fund to spread that technology around the world. Under Obama's plan, not only would we be unable to use "clean technology" to our economic advantage, we'd be paying the rest of the world hundreds of millions of dollars to take it from us for free.

Waste is indeed the watchword for Obama's budget. And nothing is more wasteful than foreign aid, something that Obama pledged to increase as a candidate. And that was one campaign pledge he has honored. Obama's [February budget proposal boasted](#) that it "puts the United States on a path to double foreign assistance" and that:

Through increased foreign assistance funding, the United States will embark on several new



Written by [Thomas R. Eddlem](#) on May 8, 2009

initiatives that will give children in the poorest countries access to education ensuring they can participate in the global marketplace; foster global food security through sustainable agriculture; expand goodwill and inspire service by increasing the size of the Peace Corps; and stabilize post-conflict states, creating room for them to plant the seeds of democracy.

One problem with this aid is that it is borrowed money that adds directly to the U.S. budget deficit. But Obama doesn't seem to care that the United States doesn't have the money to pay for the foreign giveaways. Most foreign-aid giveaway programs increase by more than 10 percent this year alone, including:

- "Aid to International Organizations" increases from \$1.589 billion to \$1.797 billion.
- "International Peacekeeping" increases from \$1.831 billion to \$2.150 billion
- "Foreign Military Financing" increases from \$4.933 billion to \$5.206 billion
- "International Military Education and Training" increases from \$78 million to \$99 million

The prime U.S. foreign-aid administration agency, the Agency for International Development, would see its base budget nearly double from \$1.282 billion to \$2.225 billion from 2009 to 2010. Likewise, construction for overseas projects would double from \$103 million to \$208 million over the same year.

Where does the U.S. government get this money for foreign-aid giveaways? We borrow it, and that increases U.S. debt and burdens the entire U.S. economy.

Clearly, Obama is right when he says "we can no longer afford to spend as if deficits don't matter and waste is not our problem." It's high time he listened to his own advice.



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