

BUDGET BRIEFING: Defense Boost ‘Unacceptable’ for Progressives

By Jack Fitzpatrick | April 13, 2021 8:03AM ET

President [Joe Biden](#)’s plan for a 1.7% increase in defense spending won’t fly with progressives, including a key appropriator who aims to refocus U.S. foreign policy.

Rep. [Barbara Lee](#) (D-Calif.), the new chair of the House Appropriations State and Foreign Operations Subcommittee, said she’ll fight Biden’s proposal to increase defense spending from \$740.7 billion to \$753 billion, even as Republicans push for a greater increase.

“A \$12 billion increase is unacceptable for me,” Lee said in an interview yesterday.

Lee and Rep. [Mark Pocan](#) (D-Wis.) launched the Congressional Progressive Caucus’s Defense Spending Reduction Taskforce last year, aiming for a 10% cut to defense spending. They’re not interested in meeting Biden halfway, Lee said.

“We’re pushing forward on our 10% cut,” Lee said. “We can tell you where some of these cuts can come from, when you look at the fact that the Pentagon hasn’t been audited, when you look at the B1 Bomber, I mean, there are plenty of ways to get to 72, 75 billion.”

Lee controls an important portion of funding as the “cardinal” of the State and Foreign Operations spending panel, but she said it’s not entirely clear how progressives will try to affect the defense budget. The federal budget process has changed with the expiration of the statutory spending caps set under the Budget Control Act of 2011 (Public Law 112-25).

It’s possible progressives will push for a defense cut outlined in a budget resolution out of the House Budget Committee, of which Lee is a member, or “it may be an amendment on the floor” to cut defense funds in an appropriations bill, she said. Mostly, progressives are focused on getting as much support as possible for a defense spending cut and will “try every which way,” Lee said.

Lee’s priorities in the State and Foreign Operations funding bill include boosting funding for diplomats and foreign service officers, increasing funds for global health programs, particularly those for women and children, aiming to end the AIDS epidemic by 2030, addressing climate change, and boosting support for regions previously neglected by the U.S., including Africa and the Caribbean, Lee said.

The U.S. should consider public and private investment in overlooked areas such as Africa and the Caribbean as a means of maintaining a presence in regions where China has increasingly focused, Lee said.

“The United States has been missing in action in terms of diplomacy in so many countries now where that void has been filled by China,” Lee said. “And so we need to come up with a strategy as it relates to how America, how our investments, how our public and private sectors can really make a case for being partners with countries where we have in many ways not really paid much attention.”

Chinese foreign direct investment flows to Africa were greater than U.S. FDI flows from 2014 at least through 2019, according to the [China Africa Research Initiative at the Johns Hopkins University School of Advanced International Studies](#).

In some cases, Lee is seeking legislative language to solidify Biden’s stances on foreign policy. Biden in January revoked the Mexico City policy, which bans federal funds to foreign groups that makes referrals for abortion. That “needs to be put into the appropriations bills,” Lee said.

GOP Faces Identity Crisis on Entitlements Amid Trump Alignment

Republican lawmakers spent much of the last four years rebranding as a working-class party, following then-President Donald Trump’s lead on things like immigration and tariffs and setting aside their push to cut spending on Social Security, Medicare and Medicaid.

But Trump’s campaign pledge to “save” safety-net programs has left conservatives with an identity crisis. With their party now in the minority, key GOP leaders want to bring back the push for entitlement changes that was a top priority under former House Speaker Paul Ryan (R-Wis.), but a younger generation of lawmakers is keen to follow through on Trump’s lead and to all but ignore budget deficits.

The path Republicans take could be pivotal on the campaign trail, where many conservatives hope to recast the party as friendlier to the working class. It may also alter the country’s long-term fiscal trajectory, as Social Security and health care spending are projected to rise as revenues are expected to stay flat, according to the [Congressional Budget Office](#). [Read more](#).

Biden’s Meets with Lawmakers on Infrastructure Plan

Biden said he is “prepared to negotiate” on his new infrastructure-focused economic plan during a meeting yesterday with a bipartisan group of lawmakers to discuss the \$2.25 trillion proposal. Further making the case for the breadth of the plan, the White House also released “state-by-state fact sheets,” which listed items including the numbers of roads and bridges in poor condition, broadband coverage gaps, and drinking-water funding requirements. The data are “laying out the critical necessity” for the program, White House Press Secretary Jen Psaki said.

Psaki separately said the administration welcomes other ideas to help fund the plan, saying “it’s all open to negotiation.” Asked about Sen. [Joe Manchin](#)’s (D-W.Va.) opposition to the proposed 28% corporate tax rate to fund the proposal and instead favoring 25%, Psaki said it was encouraging the centrist was “open” to raising it. [Read more from Josh Wingrove](#).

- **Price on Housing:** House Appropriations Transportation-HUD Chair [David Price](#) (D-N.C.) in a statement after the meeting said he “stressed the urgency to correct historic underinvestment in low-income and affordable housing and the need to create diverse multimodal transportation options.”
- **Wicker on Taxes:** Sen. [Roger Wicker](#) (R-Miss.) said he told Biden at the meeting that GOP lawmakers wouldn’t support the tax hikes that the president has proposed. Wicker said “It would be an almost impossible sell from the president to come to a bipartisan agreement that included the undoing of that signature” legislation, describing the tax cuts enacted under President Donald Trump in 2017—which Biden would in part roll back. Wicker, one of four GOP lawmakers in the Oval Office session along with four Democrats, said he was willing to broaden his definition of infrastructure for the bill, but drew the line at “home health care and things of that nature,” [Bloomberg News reports](#).

Business Roundtable Launches Anti-Tax Campaign: The Business Roundtable is starting a multimillion-dollar campaign aimed at preventing tax increases proposed as part of the \$2.25 trillion infrastructure plan. The group’s radio and digital ads, airing inside of the Washington D.C. market, will extol the benefits of the current tax regime and argue that the White House shouldn’t try to raise corporate tax rates during an economic downturn, [Nancy Cook reports](#).

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Medicare Sequestration Bill on House Floor: Scheduled cuts to Medicare would be postponed for another nine months under the Senate amendment to [H.R. 1868](#). The measure would suspend, through Dec. 31, Medicare sequestration required under the 2011 Budget Control Act ([Public Law 112-25](#)) that reduces payments by a maximum of 2% annually. The Senate amendment doesn’t include provisions from the House-passed version of the bill that would have averted a separate 4% Medicare cut under PAYGO rules triggered by the American Rescue Plan Act ([Public Law 117-2](#)). The Senate amended and passed the bill 90-2 on March 25. For more, see the [BGOV Bill Summary](#) by Danielle Parnass.

Budget Gap Hits Record \$1.7 Trillion: The federal budget deficit more than doubled to a record in the first half of the fiscal year amid a fresh wave of stimulus payments to cushion Americans from the persistent coronavirus pandemic, Bloomberg News’ Katia Dmitrieva and Liz Capo McCormick report.

The deficit last month was \$659.6 billion, the third-largest on record and biggest since last June, swelling the total from October to March to \$1.71 trillion, according to a Treasury Department report yesterday. The six-month total compares with \$743.5 billion in the prior-year period. In March 2020, the deficit was \$119 billion, which didn’t reflect the first wave of payments in the CARES Act approved late that month. [Read more](#).

Shelby Staffer Heads to Lobbying Firm: HHQ Ventures has brought on Hamilton Bloom, who most recently served as the GOP staff director and clerk for the Senate Appropriations Commerce-Justice-Science Subcommittee, as a vice president, Megan R. Wilson reports. Prior to that, he worked in the office of Sen. [Richard Shelby](#) (R-Ala.), who then served as chairman of the Senate Appropriations Committee, as his lead aide for the Senate Banking Committee and handled issues relating to workforce development, education, and taxes. The firm's clients include Microsoft, Bayer Crop Science, Charter Communications, and Capital One Financial.

With assistance from Megan R. Wilson

To contact the reporter on this story: Jack Fitzpatrick in Washington at jfitzpatrick@bgov.com

To contact the editors responsible for this story: Zachary Sherwood at zsherwood@bgov.com; Giuseppe Macri at gmacri@bgov.com; Michaela Ross at mross@bgov.com