

## **AAF: Win-Win Proposal for Debt and Defense Hawks**

**TOPLINE:** America faces two existential crises: \$34 trillion in debt at home and totalitarianism on the march abroad. Conservatives have the leverage, due in part to the Fiscal Responsibility Act (FRA), to address both: cutting non-defense spending while supporting our allies with lethal aid.

**<u>CONTEXT</u>**: Conservatives are generally correct to oppose Continuing Resolutions (CR), since CRs without cuts or key authorizing language affirmatively fund everything conservatives hate—from Planned Parenthood to Obamacare to Hamas to resettling illegal immigrants throughout our country—and hundreds of federal programs and agencies that have no business existing in a free society. However, in the current moment, a CR covering the remainder of fiscal year 2024 would actually cut non-defense discretionary spending – not merely continue existing spending levels. And it is unlikely that the Biden-Harris White House or a Democrat-controlled Senate with a large bipartisan majority for increasing spending would go along with many of the House GOP's proposed policies, a reality recognized in the House Freedom Caucus's <u>letter</u>.

Therefore, however reluctantly, the best course of action at this time is likely passing a CR for the remainder of the fiscal year—ideally with as many of the defunding provisions mentioned in the HFC letter above (and more).

- This path would trigger the FRA's 8% funding cut to non-defense discretionary spending.
- This would result in <u>\$73 billion in cuts</u> to the federal bureaucracy in year one.
- **Defense funding would be shielded from any cuts**, since it is already \$27B below FRA caps.

**Conservatives should use part of these savings to supplement defense spending with lethal aid to Ukraine, Israel, and Taiwan, which would help overcome opposition to spending cuts.** The \$73 billion in savings more than pays for Rep. Fitzpatrick's bipartisan lethal aid package:

- \$48 billion to Ukraine.
  - \$10 billion to Israel.
  - \$5 billion to the Indo-Pacific.
  - \$2.5 billion to Red Sea operations.
  - And nothing to the Palestinians or other Iranian proxies.

## America is great enough to handle its problems both here and abroad.

- <u>Pence in National Review:</u> "We don't need to choose between being Leader of the Free World and solving problems here at home. We can do both and have done both for generations. Anyone who says otherwise has a pretty small view of the greatest nation on earth."
- AAF Memo: Emergency Aid to Israel Should be Offset.

**Bottomline:** AAF's plan yields billions of dollars in savings by cutting non-defense discretionary spending and ensuring that our allies have the tools they need to beat back our adversaries.

The alternative is a non-starter: allowing Congress to rubberstamp hundreds of billions of dollars in wasteful new spending (whether through an omnibus or multiple "megabuses") and twiddle its thumbs as authoritarianism continues its march around the globe.