ECONOMY

GOP's fiscal conservatives flex muscle in spending fight

Want leaders to reject bill, punt issue to January

By Susan Ferrechio
THE WASHINGTON TIMES

A group of Republicans in the House and Senate is pressuring GOP leaders to reject a massive year-end government funding bill and restart negotiations in January, when the party will have increased leverage to reduce what they call "unfettered" federal spending.

It's a strategy that sets up a partisan fiscal showdown in the new year, when House Republicans reclaim the majority. It also raises the possibility that the government could run out of money if lawmakers fail to reach an agreement in the newly divided Congress.

"There is no reason we need to go down this road," Senate Majority Leader Charles E. Schumer, New York Democrat, said Monday. He warned that failure to pass a full fiscal 2023 spending bill would leave budget shortfalls, including a $10 billion gap at the Veterans Administration.

"The brave Americans who have served our country in uniform should never have to suffer the consequences of failing to fund the government," Mr. Schumer said. "But unfortunately, that's the risk they face right now if we don't finish the job."

But many GOP lawmakers are in no mood to negotiate with Democrats in a post-election "lame duck" Congress, even if it means a spending showdown in January.

A group of fiscally conservative House and Senate lawmakers says waiting until January to finish the fiscal 2023 funding bill will give the GOP a chance to rein in government spending that has exploded since the start of the pandemic.

Among those clamoring for a delay are members of the House Freedom Caucus, some of the most fiscally conservative lawmakers in Congress. The group warned months ago that Democrats would "ram through a spending blowout" in the lame-duck session.

"We need a short-term funding bill that empowers the House GOP to fix what Biden broke," said Rep. Chip Roy, Texas Republican.

House Minority Leader Kevin McCarthy, California Republican who is working to round up enough votes in his right flank to become speaker in January, said he endorses punting the spending bill to the new Congress.

Waiting until January would give Republicans leverage beyond spending levels if they insist on including other top policy initiatives, including border security and energy measures Democrats have resisted, and language to revoke funding for the tens of thousands of new IRS agents funded under President Biden's green energy and tax bill.

"It would be unprecedented for a moment when the House changed hands, for us to pass a lame-duck spending bill, so we shouldn't do that," Sen. Ron Johnson, Wisconsin Republican and fiscal hawk, told The Washington Times. "I'll be fully supportive of any efforts in the Senate to pass a bill that gets us into the next Congress so that the House can hopefully take up, and pass, a far more fiscally responsible spending measure for the rest of the fiscal year 2023."

Mr. Johnson is among a half-dozen Republicans who wrote to Senate Minority Leader Mitch McConnell, Kentucky Republican, to oppose striking a deal with Democrats on a spending bill during the lame-duck session.

"The American people sent an unmistakable message in the November midterm elections, making clear that they want a Republican-led House to serve as a check on the unfettered spending of the current Democrat-controlled Congress," the group wrote to Mr. McConnell.


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"We need a short-term funding bill that empowers the House GOP to fix what (President) Biden broke," Rep. Chip Roy said.

For the Senate to ram through a so-called 'omnibus' bill — which would fund the entirety of the [Democratic] spending agenda through most of next year — would utterly disempower the new Republican House from enacting our shared priorities."

Democrats and Republicans are still trying to reach an end-of-year agreement on top-line spending numbers for fiscal 2023.

The two sides have agreed on $858 billion in defense funding, but can't strike a deal on domestic spending and foreign aid.

Republicans oppose Democratic efforts to raise non-defense spending to $813 billion, which is about $26 billion above the Biden administration's fiscal 2023 request.

Negotiations continued over the weekend. But as of Monday, there was no deal.

Mr. McConnell warned Democrats they won't get an agreement unless they eliminate what Republican lawmakers believe is lavish and excessive spending.

The measure would need the support of at least 10 Republicans to pass the Senate.

"The commander-in-chief's own party does not get to demand a pile of unrelated goodies in exchange for doing their job and funding our armed forces," Mr. McConnell said Monday. "If House and Senate Democratic colleagues can accept these realities in the very near future, we may still have a shot at assembling a full-year funding bill that will give our military commanders the certainty they need to invest, plan and stay competitive with rivals like China. If our Democratic colleagues cannot accept those realities, the option will be a short-term partisan funding bill into early next year."

On Monday, Mr. Schumer announced the Senate would vote on another stopgap spending measure to keep the government funded for another week while lawmakers continue to negotiate.

If no deal is reached and negotiations are punted to January, the GOP-led House would face off against the Democratic majority in the Senate on a final spending deal, raising the risk of an impasse and the possibility of a politically unpopular partial government shutdown.

Polls often show the public blames Republicans for spending shutdowns, but conservative groups say the GOP has no choice. The party campaigned on a pledge to use their majority to advance top policy goals in a divided government, including border security and domestic energy production, by adding them to spending bills.

"What is the only leverage Republicans are going to have going into the next Congress?" said Cesar Ybarra, vice president of policy at FreedomWorks, which advocates for cutting federal spending. "Republicans are going to use the power of the purse."

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The U.S. and the Baltics celebrate the centenary of diplomatic relations

The Baltic States are located in the northeastern region of Europe containing the countries of Lithuania, Latvia and Estonia, and are bounded on the west and north by the Baltic Sea and on the east by Russia. Based on its location, the region has gained increased importance for the US and NATO following the escalation of the war in Ukraine since February 2022.

The United States enjoys a deep, long-standing 100-year-old relationship with all Baltic states, which have maintained their commitment to democratic ideals and free markets since becoming independent. While economic ties remain limited, the U.S. State Department identifies "growing commercial opportunities" and "room for growth" between the U.S. and the Baltic States.


Location of the Baltic States

	Estonia	Latvia	Lithuania
US Exports	$449.8 mln	$413.2 mln	$1.24 bln
US Imports	$1.9 bln	$686.3 mln	$2 bln
US FDI	$74 mln (2020)	$37 mln (2020)	$182 mln (2020)
Employment	3000 people	1700 people	5100 people

2021 figures from Congressional Research Service Report: "Estonia, Latvia, and Lithuania: Background and U.S. Baltic Relations"

Estonia is small in size, big in experiences

Being one of the smallest nations in Europe means that visitors don't have to choose between city and nature vacation, but they can experience both in a short time. Its compact size and effortless accessibility means whether you're here for a weekend or for weeks, there's simply more time to connect to the place and its people.

With a population of just 1.3 million spread over a territory larger than the Netherlands, with 70 percent covered by forests and bogs, Estonia is small and hassle-free. "In addition to that, we have 2,222 islands where it is wonderful to spend the Estonian summer, we have a number of UNESCO attractions, and of course, Tallinn Old Town which is one of the best-preserved Hanseatic town centres in the world" highlighted Mr. Rainer Aavik, Director of the **Estonian Tourism Board**. "And for the flavour seekers, Estonia is now one of the region's top food destinations thanks to the freshly arrived The Michelin Guide, being the first of the Baltic states and also to the Nordic culinary tradition of using local ingredients and short-travelled food" he added.


Rainer Aavik, Director

As for visitors, the US is the eighth among all markets visiting Estonia and the first among distant markets. "Americans have shown a stable interest for Estonia over the years and the USA is now one of the main long-haul markets in Estonia's tourism promotion, next to Asia" said Aavik.

Estonia reaches end consumers in the USA thanks to cooperation with leading travel media and invites journalists and influencers to come to Estonia and let them experience personally what the country has to offer. The most outstanding recent achievement comes from last year, when Todd Pitock's story about Estonia - named "A Nation of Saunas and Start-ups" - won one of the most famous awards of US travel journalism (the Lowell Thomas Travel Journalism Award). "As the jury said, Some readers may never have thought of Estonia until now and now they are ready to go".

"'Small in size, big in experiences' is not just a slogan, but the way of living in Estonia. We invite you to visit and experience a unique combination of harmony; from forests, islands and white sandy beaches to Medieval, Modern cities and tomorrow's tech talent" concluded Aavik.
www.visitestonia.com

visit estonia

European Union European Regional Development Fund
Investing in your future



Joonas Vänto, Director Estonian Investment Agency

Estonia offers an innovative and agile business environment

Estonia has been a trusted investment destination for US companies over the last decades. Beneficiaries of our transparent and progressive business ecosystems are companies such as Microsoft, Flir, Blackstone, Goldman Sachs and many others. Named 'the most advanced digital society in the world', Estonians are pathfinders, who have built an efficient, secure and transparent business ecosystem. We will see the innovation level accelerating this decade significantly faster than at any point in the past as we now also have systematic strategy to become innovation leader in Europe. Our open society and agile business environment, ensures the continuous growth of Estonian – US business and innovation collaboration. Great foundation is laid to grow together towards more prosperity and innovation. May the next 100 years be even more successful in co-operation.
https://eas.ee/en/

Tech and Social Inclusion Drives Lithuania's Economic Transformation

"The US-Lithuania relationship can be best described as same-mother siblings," stated Elijus Civilis, General Manager of **Invest Lithuania**, the country's national investment promotion agency. "They are both far away from each other but have the same mother—the strong democratic values that keep us well-connected and relevant to each other," he explained.

Among the Baltic States, Lithuania has the tightest economic relationship with the US in terms of bilateral trade and inward FDI. "US investors emphasize the cultural proximity between the two societies, some of the strongest talent pool in the region as well as the excellent digital infrastructure, making Lithuania their choice for business," said Civilis.

Indeed, Lithuania has a strong and constantly growing tech talent pool and a well-developed digital infrastructure, which are the main reasons it is fast becoming the region's leading technological hub. "Tech ecosystem is flourishing here: with the front runner, Fintech, Lithuania is also the region's leader in game and Software Development, Cybersecurity, and R&D. Lithuania is the largest Fintech hub in the EU, with 178 licensed Fintech institutions and over 260 total Fintech companies," noted Civilis.


Elijus Civilis, General Manager

The growth of Fintech comes not as a surprise but rather as a result of a strong foundation as Lithuania has been a STEM nation even before the definition was introduced. "The breakthroughs in Biotechnology put our scientists right next to the global players, and Lithuanian lasers have long been used in universities worldwide" added Civilis. Another crucial element in Lithuania's transformation is the social inclusion. "Everyone contributes in the economic development of our country, regardless of age or gender. Fifty-seven percent of our scientists and engineers are women, which is the highest number in the EU. Women also make up 50% of our total labor force, and, circling back to Fintech, 57% of companies in the sector have at least one female executive," he stressed.

FDI is seen as a catalyst for the Lithuanian economic transformation, and moving forward, the US will remain an important investor in the country. "Looking at the greenfield FDI statistics from the last ten years, companies from the USA have created the greatest number of jobs. Most importantly, we see that Lithuania becomes a long-term business partner: the companies grow locally and in the region with the Lithuanian office as a base. The business environment and opportunities for growth in Lithuania are immense, and we have many international stories to prove it," concluded Civilis.
https://investlithuania.com/

Invest Lithuania

Fredis Bikovs: We welcome you to unlock the potential of Riga

Riga is the capital of Latvia and the 3rd largest city in Northern Europe with a metropolitan area population of more than 1 million.The city serves as a regional air hub hosting the largest airport in the Baltics with direct flights to over 100 destinations provided by 20 airlines. As a member of EU, NATO and OECD, Latvia ensures safe and reliable environment with unlimited growth potential within the single European market. In 2021 Latvia was ranked 2nd among OECD countries in the International Tax Competitiveness Index and 1st in Baltics Bloomberg Innovation Index.

Riga has thriving startup ecosystem, multilingual and highly qualified talent pool and lowest cost of doing business in the Baltics. "Riga provides open and attractive environment for business with equal treatment for local and foreign investors, offering several support mechanisms for investments in Global business services and financial services, High value-added manufacturing, real estate development, ICT, startups and filming industry" explained Mr. Fredis Bikovs, the Director of **Riga Investment and Tourism Agency**.

The Agency offers various infrastructure funding options, support programs for startup ecosystems as well as relocation support programs. 'Work in Riga' platform connects international talent with potential employers and provides a single point of contact for migration-related questions. "We provide information, solve bottlenecks and ensure a thriving and sustainable environment for business development, thereby supporting the existing investment projects as well as attracting new ones, boosting tourism development and international recognition of Riga" added the Director.


Fredis Bikovs, Director

While most of the cities have one or two postcard-perfect streets, Riga has a whole area lined with perfectly preserved architecture, ranging from Romanticism to Gothic and Baroque. Vivid nightlife, rich art and culture offerings, excellent transportation and mobility infrastructure, lots of leisure activities for both families and individuals - all this makes Riga a perfect place for maintaining a perfect work/life balance. "While comparatively large and wellconnected, Riga is compact enough for a company to be able to make an impact. Our city has a huge potential for business development in the region with a competitive economy, tax regulation and cost effectiveness. We welcome you to unlock the potential of Riga!" stated Bikovs.
https://www.liveriga.com/en/

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