At a Chamber of Commerce meeting in Neon, Kentucky, last year, MCC Appalachia worker Duane Beachey was surprised to find that the town’s leaders weren’t discussing how to improve opportunities in the economically depressed region. Instead, eager to do their part in the War on Terror, the officials were seeking federal homeland security funding to equip their residents in case of a gas attack.

Such misplaced priorities beg what Jim Wallis of Sojourners calls “the God Question.” Asking “What about the children?” he says, is the best measure for people of faith considering policy options. Judged by “the God Question,” the president’s proposed 2007 budget comes up short in every category, cutting social services for children to fund defense, homeland security and tax breaks for the wealthy.

Under the president’s plan, $25.5 billion would be cut from education and $14 billion from Medicaid over five years, according to the Coalition on Human Needs. By 2011, 400,000 children would lose child care assistance and 300,000 people in working families would lose food stamps. And beginning in 2008, 1.6 million mothers and children would be ineligible for the Women, Infants and Children (WIC) nutrition program, if states are unable to make up the difference.

In addition, the president’s proposal includes $282 billion in tax cuts over five years and a bid to make past tax breaks permanent. If Congress approves, by 2011, households with incomes above $1 million will receive an average of $160,000 in tax breaks, according to the Center on Budget and Policy Priorities. In the same year, the bottom 60 percent of families will see an average tax cut of less than $500.

This year, the Washington Memo looks at how the world has changed since September 11, 2001. What have we gained since the War on Terror began? What have we lost? Clearly, the “war” has not won security for many in the United States, as the number of people under the poverty line and without health insurance has increased every year since 2001.

In this Memo, Daryl Byler examines the skyrocketing military budget (p.2), Rachel Derstine outlines the budget process (p. 3) and Elaine Stoltzfus reports from a health clinic in Appalachia (p. 4). Budget concerns go global with a look at HIV/AIDS funding by Angong Acuil (p. 6) and an update on military aid to Colombia by Lora Steiner (p. 7).

Gas masks or health insurance? Tax cuts or food stamps? Current budget priorities will not only deprive children of adequate education, nutrition, housing and health care. The administration’s own numbers show that the 2007 budget will increase the deficit by $192 billion over five years.

What about the children? Looks like they’ll be paying for our priorities for a long time. ■
Balancing the Budget

“U.S. Congress cuts military budget; Pell grants, housing and health care are big budget winners!”

It’s not a headline one expects to read any time soon—unless perhaps MCC Washington Office staff make good on a promise to some day write a spoof issue of the Washington Memo.

President Bush’s proposed 2007 budget includes $462 billion for military preparation—$439 billion for the Pentagon and $23 billion for Department of Energy nuclear weapons programs. This amount does not include the cost of current wars in Iraq and Afghanistan, which swallow up an additional $75 to $100 billion each year.

As a point of comparison, the U.S. military budget was around $300 billion before Sept. 11, 2001.

The president’s five-year budget projections call for military spending to grow to more than $500 billion by 2011—again, without counting the costs of any military operations in places like Iraq.

Where will all this money come from? Tax revenues generated by a growing economy? More deficit spending? Perhaps. But most likely it will come, at least in part, from funds that could better be used for Pell grants for college students, food and nutrition programs that feed hungry children, and Medicaid programs that help pay the cost of nursing care for millions of elderly Americans and basic health care for millions more children.

For the amount of money that the United States currently spends in just one month for its military campaign in Iraq—roughly $6 billion—it could:

- Send more than three-quarters of a million children to Head Start;
- Offer more than one-quarter million four-year, full-tuition college scholarships at public universities;
- Build 50,000 new units of housing in the United States;
- Provide basic immunizations for every child in the world for two years;
- Fully fund global HIV/AIDS programs for six months.

According to the U.S. Constitution, the U.S. government was established in order to “form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity . . .”

Given current U.S. spending priorities, one has to wonder whether “provid(ing) for the common defense” now trumps all other reasons for forming a national government.

Perhaps it’s time to balance our national budget. This will happen not simply by bringing expenses in line with revenues, but also by remembering that programs that promote justice, domestic tranquility, general welfare and liberty deserve a more balanced share of the budget pie.
In early February of this year, President Bush submitted his proposal for the Fiscal Year 2007 budget. In the sometimes perplexing process that follows the annual release of the president’s budget, the Senate and House budget committees listen to what members of Congress think of the proposal and create their own resolutions. These two resolutions are then put together by a conference committee so that Congress can approve a final framework for budget decisions.

This is where the process becomes more complicated. The final budget resolution instructs the other committees in Congress to set aside a certain amount of money for “mandatory” programs—entitlement benefits such as health care and agriculture subsidies—and to divide the rest among “discretionary” programs.

Mandatory spending is protected by law, and the budget must provide a minimum amount of funding for these programs, or else new laws must be made to authorize changes. If the budget resolution requires changes in the law, these are carried out by the Senate and House authorizing committees. The changes require approval by the full House and Senate, another conference to “reconcile” differences between the House and Senate proposals and then a final floor vote on the budget reconciliation bill. The bill is then ready to be signed by the president.

At the same time, appropriations subcommittees are working on discretionary spending bills. Twelve subcommittees in the Senate and ten in the House divide limited funds among the programs under their jurisdiction, anything from missile defense to school lunches. Often the separate discretionary bills are combined into an omnibus spending bill which is voted on by the House and Senate.

The entire budget process spans from the president’s proposal in early February until a budget can be agreed upon. The end of the fiscal year is September 30, which is the formal due date. But the deadline is not always met. This means the debate over the federal budget is ongoing, so there is never a bad time to contact your legislators to let them know whose interests they should be keeping in mind.

The debate over the federal budget is ongoing, so there is never a bad time to contact your legislators.

---

**CAPITAL QUOTES**

“I say let the prisoners pick the fruits.”

—Representative Dana Rohrabacher (R-CA), in support of the House proposal to deport an estimated 11 million undocumented immigrants

“This White House believes that the only way to solve the problem is to change the power structure in Iran, and that means war.”

—Unnamed Pentagon adviser, on reports that the United States is considering military action against Iran

“Rather than complaining about immigration from Mexico, the U.S. could stop causing it.”

—Former Sierra Club President David Brower, suggesting there is a link between migration and inequitable trade policies
For the past twenty years, I have been working as a health educator in a small, rural, community clinic in southeastern Kentucky. Here in Harlan County, people have been struggling economically for decades. Per capita income is half that of the United States as a whole, with 33 percent of the county’s citizens living below the federal poverty level.

Our health care statistics reflect the high poverty rate, with the average life expectancy in Harlan County four years less than the national average. With our high rate of unemployment, about half of the population either has no health insurance or is under-insured. Of those who have health insurance, 26 percent are on Medicaid.

Because Medicaid is so important to a large segment of our population, the federal budget cuts that have already been enacted, plus proposed future cuts, may well be matters of life and death.

Medicaid cuts have already led to loss of eligibility for some people and serious cutbacks in services for others. Our most vulnerable citizens are affected: low-income children and their parents, people with disabilities, pregnant women and some senior citizens.

Health care providers are affected by these cutbacks as well. As reimbursement from Medicaid is cut, some doctors whose patient base is mainly Medicaid-insured may refuse to provide other than emergency care to these people or may move to more financially stable practices.

Clover Fork Clinic is a non-profit agency with 31 percent of patients on Medicaid, and our future is threatened by Medicaid cuts, as well. For example, government cuts require higher co-pays from our Medicaid patients, and many are simply not able to pay them. Still, the clinic does not refuse health services to these folks. We bear the loss of revenue, but at some point may need to decide whether to refuse services or lose financial viability.

With current Medicaid legislation pending in Congress, the state of Kentucky could lose $162 million in federal matching payments. Such a cut would have a grave effect on the 663,000 people on Medicaid statewide, as the already cash-strapped state would further cut services to people most in need of help.

In anticipation of those additional cuts, Kentucky’s Medicaid program has placed another burden on its recipients, as of March 1 this year. Now, Medicaid covers only four prescriptions per month for adults, with only a few exceptions.

To understand the impact of this ruling, consider a person with high blood pressure who is probably taking three medications for that condition alone. If that person also has to be treated for an under-active thyroid, that would be the fourth prescription. After that, there is practically no recourse, unless there is a diagnosis of a life-threatening illness that could result in hospitalization.

What we need is a basic national health insurance plan that would cover everyone, regardless of disability or income. Until that happens, we need a federal government that treats its most vulnerable citizens justly, which means a government that uses compassionate moral standards to dictate its budget.

Elaine Stoltzfus, a member of the Mennonite Central Committee Great Lakes Board, works at Clover Fork Clinic in Evarts, Ky., and attends Harlan Mennonite Fellowship.
Minimum Wages Crying Out

“It was early April, and Ms. Williams was dressed in the dark blue uniform that she wears at her first job, caring for the aged and infirm at a nursing home. Atop that was the gray apron she dons for her second job, cleaning offices at night.”

A July 19, 2001 Wall Street Journal article profiles 46-year-old Ms. Williams, whose nursing assistant job pays $5.55 per hour, even though she completed college courses to become certified, and whose cleaning job brings in the federal minimum wage, $5.15 an hour.

“You think you’re moving forward,” Ms. Williams told the reporter, “but you’re just moving back.”

Minimum wage has been “moving back” since 1997, when it was set at $5.15. Steady inflation and soaring housing and health care costs have decreased its value below the minimum wage in 1950, which would be worth about $6 now, adjusting for inflation.

Since 1997, members of Congress have raised their own pay by a total of $31,600, and the wealth gap in the United States has increased. Currently, the top tenth of the richest one percent of taxpayers have more income than the bottom third of taxpayers combined.

A full-time minimum-wage worker earns $10,712 a year, which leaves a single parent with one child well below the poverty line, an outdated measure that does not cover basic costs of raising a family. Nationally, on average, it takes about twice the poverty level to make ends meet, according to the American Friends Service Committee (AFSC), which translates to three minimum-wage salaries to support a family of four.

Health care represents a large portion of the family budget. Health insurance prices have risen so much, according to AFSC, that family health coverage now costs more than the entire annual income of a full-time minimum-wage worker. Nearly 46 million Americans—one out of six people—had no health insurance, public or private, in 2004.

“Look!,” the book of James commands, “The wages you failed to pay the workmen who mowed your fields are crying out against you. The cries of the harvesters have reached the ears of the Lord Almighty (5:4).” When those who harvest our food go hungry, and those who care for our sick cannot afford health care, God’s people are called to act.

BY BETHANY SPICHER SCHONBERG

When those who harvest our food go hungry, and those who care for our sick cannot afford health care, God’s people are called to act.

GOD’S PEOPLE CALLED TO ACT

Ask your legislators to support the Fair Minimum Wage Act (S. 1062, H.R. 2429), which would raise the minimum wage to $7.25 per hour, enough extra wages to buy 15 months of groceries, 8.5 months of rent, 20 months of child care or two years of health care for a low-income family.

In the House, ask your representatives to sign a discharge petition (H.R. 614), which would require the Fair Minimum Wage Act to be brought to the floor for a vote.

Last year, the Fair Minimum Wage Act was voted on twice in the Senate, falling just short of a majority both times. It will likely appear as an amendment again this year, along with a competing proposal that limits worker protections while raising the minimum wage.

For more information about minimum wage, visit the Let Justice Roll Campaign at www.letjusticeroll.org
Inadequate Funding for HIV/AIDS

BY ANGONG ACUIL

In his 2003 State of the Union address, President Bush announced the President’s Emergency Plan for AIDS Relief (PEPFAR): a five year, $15 billion initiative to help combat the global HIV/AIDS pandemic. This initial step was a watershed that marked the administration’s commitment to tackle a disease that has destroyed and disrupted millions of lives, especially in Africa and Asia.

Of the $15 billion, one billion dollars was promised to support the Global Fund to Fight AIDS, Tuberculosis, and Malaria. According to Martin Shupack, to date, “The Global Fund has proven to be an efficient, result-oriented mechanism to respond to these three killers. Independent from the United Nations, it is a public-private partnership created to mobilize new resources.”

However, the Global Fund is currently underfunded, and if the goals to fight HIV/AIDS are to be met, we need to call our government to increase funding to combat this terrible disease. The president’s 2007 budget proposes to increase funding for global HIV/AIDS, tuberculosis and malaria initiatives. The proposal includes approximately $4 billion for PEPFAR, with $300 million for the Global Fund.

This $300 million is a great shortfall, since the Global Fund needs an estimated $1.2 billion. Though this amount of money seems to be a lot, it pales in comparison to the amounts spent on military operations in Iraq and Afghanistan.

In response to this shortfall, the Senate passed the Santorum-Durbin Amendment in March, which increases by $566 million the U.S. contribution to the Global Fund. This means that the total U.S. contribution would be $866 million.

Since the amendment was only passed in the Senate, it means that the Senate and House versions of the foreign operations budget are different and must be merged and then approved by both chambers of Congress. It is imperative that we keep talking to our representatives to increase funds to deal with this human catastrophe.

Church World Service points out that “The fight for increased funding will be an uphill battle as the U.S. debt grows and members of Congress are faced with hard decisions on how to cut spending.” With an ever-tightening budget, it is becoming difficult to allocate funds for the global fight against HIV/AIDS.

Overall, global funding for the response to HIV/AIDS has increased from about $2 billion to an estimated $6 billion in 2004. Still, this isn’t enough. The Joint United Nations Programme on HIV/AIDS estimates that $15 billion will be needed to effectively respond to AIDS in low-income and middle-income countries in 2006. That number will rise to $22 billion in 2008, and most of that will need to come from the international community. The worst affected and poorest countries will depend on foreign funding for 80 percent of their HIV/AIDS resources.
On March 2, Oscar Muñoz Perez, pastor of the Colombian Christian Missionary and Alliance Church in Buenaventura, Colombia, was shot and killed by several men. Witnesses on the street identified the men as a part of the paramilitary group Autodefensas Unidas de Colombia (AUC).

While no one can say for certain why Pastor Muñoz was killed, pastors in Colombia are particularly at risk for various reasons, especially if they preach a message of peace. Refusal to affiliate with any armed group can mean death threats. And as in any armed conflict, innocent people often get caught in the crossfire.

Buenaventura is a city of 300,000 people, located on Colombia’s Pacific coast. Home to many Afro-Colombians, it is located in a resource-rich area where both paramilitary and guerilla groups are present. While no reliable statistics on human rights violations exist for this region, Afro-Colombians such as Pastor Muñoz and his family are some of the people most affected by the conflict, and make up a large portion of Colombia’s displaced population.

Pastor Muñoz’s church is very involved in the barrio where it is located. It provides assistance to many families through school programs, a soup kitchen, and distribution of school supplies and clothing. Nearly 600 people receive assistance from the church each week.

However, continuing death threats against family members of the pastor have sent the family—many of whom are active leaders in the church and community—into hiding.

In response to Pastor Muñoz’s death, his church and family are requesting prayer for the Muñoz family, now displaced; that God would raise new leaders in the church and community; and that those who committed the crimes would realize their errors, repent, encounter Christ, and begin to repair the damage they have caused.

Churches in Colombia and North America are invited to respond by participating in “Days of Prayer and Action for Colombia.” The event is scheduled for Sunday, May 21, and Monday, May 22. On Sunday, churches are asked to remember the victims of Colombia’s conflict and those who are risking their lives for peace.

Monday, the day of action, is a time to contact members of Congress and ask them to cut off military aid to Colombia, and to support peacebuilding initiatives in Colombia. Each year, as a part of the regular budget process, Congress designates hundreds of millions of dollars in aid to Colombia, most of which is marked for military use. This year the proposal is expected to be around $730 million.

If you would like more information about the Days of Prayer and Action, contact the MCC Washington Office at 202-544-6564, or go to www.peaceincolombia.org. If you would like to send emails of support (in Spanish) to the Muñoz family, you may send them to iglacmis@nexos.com.co or iaccmecusan@hotmail.com.
## SOUND THE TRUMPET!

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>SUMMARY</th>
<th>ADVOCACY NEEDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINIMUM WAGE</td>
<td>The current minimum wage is not enough to support a family, even with two wage-earners, and it has remained at $5.15 per hour since 1997, while housing and health care costs have risen dramatically.</td>
<td>Ask your legislators to support the Fair Minimum Wage Act (S. 1062, H.R. 2429), and to vote against competing minimum wage proposals that would limit worker protections.</td>
</tr>
<tr>
<td>IMMIGRATION REFORM</td>
<td>At the time of this writing, immigration reform negotiations are stalled in the Senate. The House-passed bill (H.R. 4437) would criminalize undocumented immigrants, as well as those who assist them, and build a 700-mile fence along the U.S./ Mexico border.</td>
<td>Ask your senators to pass immigration reform that would reunify families, protect workers, authorize undocumented immigrants, provide safe passage for future migrants and address economic realities in sending countries. Visit <a href="http://www.mcc.org/lettersontheline">www.mcc.org/lettersontheline</a> for more information.</td>
</tr>
</tbody>
</table>

### USEFUL ADDRESSES

**MCC U.S. Washington Office**
110 Maryland Ave NE
Suite 502
Washington DC 20002
(202) 544-6564
mccwash@mcc.org

**Senator**
U.S. Senate
Washington DC 20510
(202) 224-3121
www.senate.gov

**Representative**
U.S. House of Representatives
Washington DC 20515
(202) 224-3121
www.house.gov

**President George W. Bush**
The White House
Washington DC 20500
(202) 456-1111
president@whitehouse.gov