

Thursday, October 18, 2007

**Just the Facts, ma'am:** Some of you may remember the well-known admonition of Detective Friday to his witnesses in the old TV show Dragnet. I usually give you loads of my opinions along with the facts. But not this week. This week, I will present for you, just some facts that have become available in recent weeks. Here are, just the facts:

**Budget:** The 2007 fiscal year for the federal government ended on Sept. 30th.

\*The final deficit is projected to be \$161 billion as against a FY 2006 deficit of \$248 billion and a FY 2005 deficit of \$318 billion. The deficit has fallen 61% in 3 years.

\*Federal revenues increased by 6.7% over 2006 compared to a 5% growth in Gross Domestic Product (GDP) over the same period. This revenue growth rate has declined from 11.8% (2006 over 2005) and 14.5% (2005 over 2004).

\*Federal taxes in 2007 represent 18.8% of GDP which is higher than the 40 year average of 18.2%.

\*Total federal spending for FY 2007 was \$2.729 trillion.

\*The deficit represents 1.2% of GDP in 2007 which is below the 40 year average of 2.3%. The federal government has now operated in deficit for 42 of the last 47 years.

**Flags:** Many people request to have flags flown over the Capitol in honor of a person or special occasion. These requests are made to Members of Congress and the Senate. Recently, Congressman Michael Turner (R-OH) received a request to fly a flag over the Capitol in honor of a child's WW II veteran grandfather on his 81st birthday. He requested that the accompanying certificate with the flag read, "The flag was flown for Jack Martin on the occasion of his 81st birthday, the eleventh day of July, in the year of our Lord two thousand and seven. Thank you, Grandpa, for showing me what it is to be a true patriot - to love God, family and country. We love you!" The Architect of the Capitol, whose office flies the flags and issues the certificates, struck the words "in the year of our Lord" and "God" from the certificate stating "separation of church and state" and a rule prohibiting "religious expressions" on flag certificates. There was an uproar amongst Members of Congress as a result of this policy. A resolution was introduced and dozens of flag requests with the word "God" in them were submitted. Last Thursday, the Architect's office reversed their ruling and will again allow the words "God" and "Lord" on flag certificates.

**Internet:** For nine years, a federal law has been in place prohibiting state, local, or federal taxes on internet use or access. It does not prohibit the application of other taxes (like sales taxes) on transactions over the internet as long as the tax is not greater on an internet transaction than on a non-internet transaction. This prohibition is scheduled to expire at the end of the month. Several bills have been introduced (including one by yours truly) to make this ban permanent. However, some in the Democratic leadership would not allow that to occur. Instead, this week the House passed a 4-year extension to the Internet Tax freedom Act by a vote of 405-2. It is expected to pass the Senate and be signed by the President. This adds another tax reduction, like the death tax and capital gains taxes, to the list of those scheduled to expire sometime in 2011.

**SCHIP:** The "State Children's Health Insurance Bill" was passed by both Houses of Congress and then vetoed by the President two weeks ago. Today, the veto was sustained in the House with 156 members voting to sustain the veto which was 13 more than the minimum necessary in spite of an enormous lobbying effort by Democrats to overturn the veto.

Until next week, I remain respectfully,

Congressman John Campbell