The Washington Insider

By Dave Wenhold

(*Disclaimer: The Washington Insider is written without bias, spin, or partisanship. The articles that are included are a mix from both sides of the argument. Our job is to provide ATSI members with political stories and information from the Hill and D.C. We understand that politics can be controversial to some, but this information is provided to you in a no-nonsense manner to help you as a businessperson.)

POLITICAL STORIES

After several weeks of partisan bickering, House Republicans were able to pass a $694 million border package right before dismissing for August recess.

President Obama opposes the House measure while Senate Majority Leader Harry Reid has already noted that it is dead on arrival. However, passage of the legislation represents a victory for House Republicans who are able to return home and tell their constituents that they did take action to secure the border and deal with this recent wave of child immigrants that have overwhelmed authorities. The Senate previously failed to pass a $2.7 billion border bill and left for their August recess. New House Majority Whip Steve Scalise (R-LA) was unhappy that the Senate left prematurely noting, "The House is here working. I encourage the Senate to come back and do their job."

The final House vote fell largely along partisan lines as only four republicans opposed the measure while just one Democrat, Rep. Henry Cuellar (Texas) supported it. After the border supplemental package, the House passed a second bill in a 216-192 vote that prevents the Obama administration from expanding the Deferred Action for Child Arrivals (DACA) program, a program which provides two-year work permits for undocumented immigrants who arrived to the U.S. as children before 2007. Democrats blasted this vote as one that would force the so-
called DREAMers to leave the country despite knowing no other country but America.

While it is clear that the Senate will not approve either of these bills, it is likely that both sides will use the disagreement on the issue as a means to drive turnout and political narrative in the November midterm elections.

http://thehill.com/homenews/house/214139-house-approves-border-funding

Before leaving for August recess, the Senate passed a supplemental spending bill for Israel's Iron Dome air defense system Friday. The legislation was proposed by Minority Leader Mitch McConnell (R-KY) but was blocked by Sen. Tom Coburn (R-OK) who argued that the bill's $225 million price tag be offset with cuts elsewhere. However, Sen. Coburn eventually relented allowing the aid for Israel to be passed. Minority Leader McConnell stated, "By passing this bipartisan measure, we send a message to Hamas that its terrorist tactics and its attempts to terrorize Israel's populace will not succeed. And we can help Israel defend its civilian population against indiscriminate attacks as it continues its campaign - Operation Protective Edge - to destroy the often-Iranian-supplied weapons stockpiled within Gaza."

President Obama has already announced his intention to sign the legislation to help prevent the region's current conflict from expanding. Obama also noted at a news conference that he supported Israel's right to self-defense while urging greater protection for Palestinian civilians. He called for the immediate release of a soldier who is believed to have been captured by Hamas and stated that it would be difficult to get another cease-fire put together after a 72-hour humanitarian truce collapsed almost immediately after it went into effect on Friday morning.


SMALL BUSINESS STORIES
As Congress adjourns for the August recess, small business owners, labor unions, and other supports of the Export-Import bank are preparing a significant push to reauthorize the seemingly troubled organization. The bank's backers want to ensure that the issue remains on the forefront of politician’s minds when they return to Washington in September.

The Export-Import Bank, which provides loans and other forms of credit to help U.S. businesses sell their goods and products oversee, will be forced to close if Congress fails to reauthorize its charter by September 30. In previous years, the Export-Import bank has been supported by most Democrats and Republicans. However, the rise of the Tea Party has created more and more lawmakers who are interested in actively shutting down the bank, arguing that its lending amounts to the government interfering in the private sector by picking a series of winners and losers.

Supporters of the bank contend that closing the bank will certainly harm American exporters and cost jobs, particularly in the small business sector. Both the National Association of Manufacturers and the Chamber of Commerce are planning on increasing their lobbying activity as it relates to the Ex-Im bank over August. They are also leading a drive to encourage their members attend town hall meetings with their Congressional Representatives.

The U.S. Senate has a pending proposal that would extend the bank for five more years. In the House, Rep. Stephen Fincher (R-TN) is working on a bill that would renew the bank with reforms. Despite the reform efforts, it seems unlikely that many conservatives would still support the reauthorization of the bank.

http://www.baltimoresun.com/business/sns-rt-us-usa-exim-recess-20140803,0,2522682.story

A Congressional report released at the end of July showed that women who own small businesses are still far behind their male counterparts when it comes to getting loans and government contracts. The report was filed by the Democratic staff of the Senate Small Business & Entrepreneurship Committee. It noted that, while female-owned businesses account for 30 percent of all small companies, they account for only 4.4 percent of the total dollars in conventional small-business
loans. In short, this amounts to just $1 for every $23 loaned.

Additionally, the report found that businesses that are owned by women receive just 16 percent of all conventional small-business loans, and 17 percent of loans that are backed by the Small Business Administration. Loan applications also face an increased likelihood that they will be rejected that businesses that are owned by men, while the loans that are received are more likely to have more stringent terms.

Women also receive only 7 percent of venture capital funding. Senate Small Business Committee & Entrepreneurship Chair Maria Cantwell (D-WA) commented on the report, "The numbers are jarring, for sure, and we need to own up to the fact that we want to see more women entrepreneurs, and to make sure they're getting access to capital." With the low numbers of federal contracts for women, it is critical to note that in 1994, Congress set a government-wide goal of awarding 5 percent of federal contract dollars to small businesses that are owned by women. It has never met that goal which can cost women-owned businesses nearly $5.7 billion in government contracts each year.


With Walgreen Co. threatening to move its corporate headquarters from Deerfield, Ill. to a more tax-friendly locale like Switzerland, the issue of tax reform has returned to the forefront of the public and Congress' eyes. While it is perfectly, legal for a U.S. corporation with significant overseas interests to avoid the 35 percent corporate tax rate, the issue of whether it is appropriate for a company that used American assets like orderly financial markets, a trusted judicial system, a (publicly) educated workforce, well-built infrastructure, and welfare programs to create what currently is a $72.2 billion company.

As large companies move oversees to ignore their tax burdens, those costs are shifted onto the backs of small and medium-sized entities that cannot move overseas because they are not big enough to do so. Yet there still are many investors though who will argue that Walgreen Co. has a fiduciary duty to its shareholders to maximize profits, which means cutting any and all costs to boost the price of the stock.
In a late May report, the Congressional Joint Committee on Taxation released a report that estimated that the U.S. Treasury stands to lose $19.5 billion in potential revenue over the next decade if larger corporations continue to leave the country for tax-friendly countries.


The Bureau of Labor Statistics released its latest jobs report on Friday, August 1 and the numbers revealed a continued sluggish recovery. The report showed that 209,000 non-farm jobs were added in July, meaning that for the first time since 1997 has the economy added 200,000 or more jobs in six straight months.

This number was slightly below economist projections of 230,000 while the unemployment rate rose to 6.2 percent from 6.1 percent in June as more Americans are attempting to reenter the job market as they see signs that the job market has improved. This was shown by the labor force participation rate increasing from 62.8 percent to 68.9 percent. In another promising sign, the June numbers were revised upwards by 10,000 jobs while the May numbers were increased by another 5,000 jobs. Professional and business services added 47,000 jobs last month while manufacturing, retail trade, and construction also saw fairly significant jobs gains. However, in a sign that the economy continues to only slowly improve, hourly earnings only rose by 1 cent in July.