

# NATIONAL REVIEW

## The U.S. Should End Its OECD Subsidies: It's Good Policy and Self-Protection

Veronique de Rugy

June 26, 2017

Tomorrow, the Committee on Appropriations's Subcommittee on State, Foreign Operations, and Related Programs is having a "United Nations and International Organizations — Budget Hearing." The witness will be U.N. ambassador Nikki Haley.

I, for one, am very much looking forward to this hearing. As a reminder, the Trump budget called for reducing spending on contributions to international organizations by approximately \$786 million. We will still be spending \$900 million in Fiscal Year 2018 on international bureaucrats, according to the Major Savings Document (pg. 71). But that's down from the \$1.68 billion we spent in Fiscal Year 2017. For the figures from the analytics tables, check pg. 14 of this document (or pg. 778 of the book).

It called for an interagency strategic review to prioritize payments to organizations "that most directly support U.S. national security interests and American prosperity. NATO, for instance, would continue to be fully funded. In contrast, funding for organizations that work against U.S. foreign policy interests could be terminated."

As I wrote a few weeks ago, while the level of spending cuts as envisioned by the Trump administration is unlikely to occur, the Organisation for Economic Co-operation (OECD) should be placed first on the chopping block for its use of American taxpayer dollars to push for higher taxes and bigger government in the U.S. and around the world. In that post, I wrote about many of the ways the OECD works against U.S. interests.

This morning, Dan Mitchell at the Cato Institute has a good summary of why we are so eager to see America's OECD subsidies cut. He writes:

- My main gripe is that the OECD, in hopes of propping up the European welfare states that dominate its membership, tries to enable big tax increases by undermining tax competition.
- It also galls me that the bureaucracy reflexively embraces just about every kind of tax hike, including class-warfare taxes on income, big new energy taxes, business taxes, and money-vacuuming value-added taxes.

- Additionally, I get irked when the OECD advocates other big-government policies such as Keynesian spending, green energy, and government-run healthcare.
- I also don't like the OECD's dodgy, dishonest, and misleading use of data on issues such as poverty, pay equity, inequality, and comparative economics.
- And, to add insult to injury, the bureaucrats at the OECD get a special exemption so their gold-plated salaries are tax free, even though they spend so much time trying to impose higher taxes on the rest of us.

For all of you who wonder why we should care about a report-writing organization, I would say that the OECD, which is dominated by Western European welfare states, has actually been leading aggressive real-world campaigns such as the anti-tax-competition one mentioned above. The reality is that their efforts have had very negative ramifications for lower-tax jurisdictions. In addition, the OECD continues pushing an awful multilateral convention that was signed by President Obama, which if ratified by U.S. Senate (down the road when the Democrats are back in power), would force us to automatically share personal-financial information with some of the most corrupt and unsavory governments around the world.

In other words, no, the OECD isn't just your usual wasteful international bureaucracy with a preference for big government. These bureaucrats are actively meddling in the world of policy, always on the side of bigger government and less privacy, with real-world consequences for the rest of us.

Hopefully, tomorrow's hearing will get us closer to the goal of defunding them.