



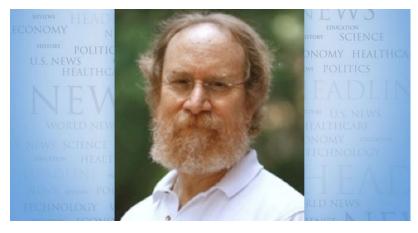
The Washington Con Game Goes On

Much of what government does seems unfathomable until you remember one thing: the politicians think the people are morons.

Take the latest example: the effort to avert the "fiscal cliff." If, as the politicians say they believe, the country is in a budgetary deficit and debt crisis combined with an anemic economic recovery, why would they raise taxes on everyone (don't forget the hike in the payroll tax and the Obamacare taxes) and not reduce spending? The anemic recovery is explainable by the burden of government, and the budget crisis is explainable by runaway spending. So Congress and President Barack Obama have done precisely the opposite of what they needed to do, namely, roll back government dramatically, nay, radically.

Former U.S. treasury official <u>David Malpass</u>, writing in the *Wall Street Journal*, says, "The Congressional Budget Office scores the Senate bill [passed by the House and signed by the president] as adding \$4 trillion to the national debt by 2022. That assumes the sequester or equivalent spending cuts are fully implemented in March, which seems unlikely." This is what the country was on the edge of its seat waiting for? Is Washington full of fools? No. But it's full of men and women who think we are fools.

America is smothered by government, but the news media are too busy to notice. They're far more interested in picking political winners and losers. That's to be expected. The Washington media are little more than the propaganda arm of the ruling elite, and most reporters and pundits see things through the eyes of the governing class. Cable TV programs are merely parades of stale establishment types who





Written by **Sheldon Richman** on January 5, 2013



repeat the same old clichés, while blithely tossing off plans to spend other people's money. Fed a steady diet of this gruel, most people are lulled into a state of semiconsciousness (at most) or helplessness about government policy.

The politicians have a million ways to obscure what they do, and they exploit their options to the hilt. They clearly are more comfortable if they can work their will beyond the scrutiny of outsiders, namely, the people in whose name they act. When spending increases are called cuts — and most of the media help perpetrate the scam — we are in trouble.

Washington has amassed a debt that exceeds the dollar value of all the goods and services produced in a year by the American economy. It runs a trillion-dollar-a-year budget deficit, borrowing over 40 cents out of every dollar it spends. Its central bank, the Federal Reserve, creates money every month to buy the government's debt, enabling Washington to borrow even more. In a few years the federal budget will be consumed by interest on the debt and so-called entitlements. The American empire, all told, costs well over a trillion dollars a year (not to mention that it finances death and mayhem in many countries).

This spending, along with subsidies and regulations that interfere with the market process, is the source of our economic woes. Nothing short of a radical reduction can begin to address the coming debacle.

The politicians, however, have no incentive to do what's necessary. Spending keeps them in office because it's the largess that wins them votes. The sheer size of the debt and deficits, and the burden on future generations, have lately worried the people,



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but the popular will to see spending drastically cut always fades when it comes down to specifics. Just as most folks want only other people's taxes raised, so they want only other people's spending cut. The politicians respond to such incentives. So the government burden grows, but the illusion of austerity is created. That, however, will not fix the problem.

Now we prepare for the next set of crises in March. Sequestration, the postponed automatic and largely bogus spending "cuts," will be back on the table, and the Obama administration will ask that the debt ceiling be raised — again. Panic will return to the airwaves — although these are all Washington-created crises. Those who balk at raising the debt limit will be accused of not wanting the government to pay bills already incurred. For once someone should ask, Why is Congress allowed to spend money it doesn't have?

Sheldon Richman is vice president and editor at <u>The Future of Freedom Foundation</u> in Fairfax, Va.





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