



Written by [William P. Hoar](#) on February 18, 2022

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Road To A Great Stagnant Society

Are you cutting down on your spending? Many Americans are being forced to do just that — in large part because the government will not curb its excesses. Indeed, the federal government seems willing and eager to control virtually everything in the land except inflation and its spending.

Of course, in a real sense, the government doesn't have its own money; it has what it can commandeer from you and me and the private sector in general. Those resources are acquired in multiple ways — including through taxation, inflation, and borrowing. There's little doubt that Washington finds it much easier and useful to trim the taxpayers than its budget. Then, seeking to maximize political power, our leaders and government officials redistribute the filched wealth.



AP Images

In an earlier feature in this magazine ("Bidenflation Rages," February 14) we focused on inflation; in this piece, the concentration is on spending.

Government spending is a big, vile, shambolic target. Stephen Moore, a former Trump advisor and senior economist at FreedomWorks, in his recent book *Govzilla: How the Relentless Growth of Government Is Devouring Our Economy — and Our Freedom*, expounds on the historical escalation. Americans, as Moore notes, "were supposed to have limited government but now we have limitless government. In just his first year, the spending proposed under [President Joe] Biden exceeds what was spent on all the wars we have fought, the building of the intercontinental railroad, the interstate highway system and the moon landing."

Adding to that fiscal injury is the chief executive's financial insult that all his directed trillions of dollars "are free — they will cost nothing." That's mendacity in the first degree. We do pay, and the balance of the bill gets passed along to our progeny.

When Biden assumed office on January 20, 2021, the outstanding public debt was \$27.8 trillion, according to U.S. Treasury statistics. In just 12 months under Biden, that debt grew by more than \$2 trillion; as we write, the total has surpassed \$30 trillion. By comparison, it took the nation 210 years (until 1986) before the debt first topped \$2 trillion. (The *New York Times* has recalled that the Congressional Budget Office projected in January 2020 that the gross national debt would hit the \$30 trillion mark by around the end of 2025. Joe's ahead of his time for once.)

Those soon to become taxpayers are clearly in line to take a hit — because there really is no free lunch. According to the Peter G. Peterson Foundation, the interest costs alone for the growing gross national debt are projected to surpass \$5 trillion over the next 10 years, and will amount to nearly half of all



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federal revenue by 2051.

Profuse Spending, Regulating

The pandemic kicked off a spending spree under both the Trump and Biden administrations. But the Biden folks had no intention of stopping or even slowing down. The supply-chain disruptions and anti-fossil-fuel moves to appease progressive greenies added to economic woes nationwide. And Washington accelerated the money windmill generated by the \$1.9 trillion American Rescue Plan (ARP). This surge in spending, as noted by Manhattan Institute fellow Brian Riedl, is “a key driver of higher prices faced by consumers.”

The ARP, wrote Riedl in an op-ed for the *Washington Post*, “is the most expensive spending law of the past 50 years, including the Cares Act approved under President Donald Trump. In its first seven months, ARP spent \$1.2 trillion — which exceeds the entire cost of the 2017 tax cuts from their enactment through the same late 2021 date.” This came after the \$900 billion stimulus bill of December 2020.

As Riedl put it, the

inflation damage created by Biden’s stimulus would be more justifiable if it was necessary to end the pandemic. However, just 1 percent of its cost went toward vaccines and 5 percent had any direct relation to health care. Instead, the law gave state and local governments \$350 billion for budget deficits that did not exist. Schools received \$129 billion even as they sat on \$50 billion in unused relief funds from earlier emergency bills. The unemployment bonuses were so large and self-defeating that 26 states took the rare step of refusing federal assistance and canceling the bonuses before they expired.

A recent headline in the *Wall Street Journal*, reflecting the hundreds of billions of dollars handed to state and local governments over Republican objections, highlighted how numerous states currently “swim in cash.” Sadly, there are larger spending plans in the wings.

In addition to the direct costs of spending, the government imposes the indirect fees of regulation. Indeed, we could probably cover a significant fraction of our energy requirements if we burned the red tape strangling us — though the Environmental Protection Agency would undoubtedly take a dim view of that.

All those diktats from Washington do add up. According to American Action Forum (AAF), the Biden administration completed its initial year in office by causing more than \$201 billion in regulatory costs and requiring 131 million hours in new annual paperwork. That price tag is considerably more than those of Biden’s predecessors — resulting in more than three times the costs of Obama’s first year and nearly 40 times the overhead under Trump.

Don’t rationalize this with that gullible notion that the expenses will be picked up by some bloated plutocrat running a dirty factory thousands of miles away. Rather, it smacks you right where you live.

In an op-ed for the *Wall Street Journal*, Ben Lieberman, a former staff member on the House Energy and Commerce Committee, summarized what is happening. He gives the details about the regulatory burden being added, literally, to every room of your house. As a result, appliances will be more



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expensive and less effective. Targets include washing machines in the laundry room, furnaces in the basement, light bulbs throughout, and, of course, cars in the garage.

Lieberman, a senior fellow with the Competitive Enterprise Institute, adds:

Anyone thinking that the feds want to regulate everything but the kitchen sink would be wrong. They are also reviewing kitchen sinks. Specifically, the DOE is reconsidering the method for testing compliance with water-use limits for faucets, and a change could result in tighter restrictions, with some currently available models declared illegal.

Meanwhile, in Washington, Bidentcrats using the president's pen have produced the highest number of executive orders of any president over the past half-century, as calculated by AAF.

Waste Flourishes

As it is, the federal government — especially the Biden administration — is assuredly good at one thing: wasting tax money wrung from the efforts of hard-working Americans.

For lowlights, refer to a recent report on the administration's "wasteful spending" total for 2021, which was put together by Senator Rand Paul (R-Ky.) and his office. The senator's latest "Festivus Report" points to \$52 billion in such government waste. There's plenty to find, notes the senator, including expending on a study of pigeons gambling on slot machines, giving kids junk food, and telling the citizens of Vietnam not to burn their trash.

Here are a few more: a tax credit (\$2,100,000) incentivizing California residents to uninstall fireplaces; a State Department plan to translate books into the Georgian language (costing \$182,741); another State brainstorm to teach French people about culture in the United States (\$200,000); and an FDA program to spend \$337,500 for fattening eels for human consumption.

We don't know if we should tell readers about this one, lest your happiness level fall. But here goes: It does appear — remember, this is serious "science" — that hearing bad news may affect happiness levels. Well, that just had to be verified, didn't it? The National Institute on Aging (NIA), according to the senator, "used nearly \$1.3 million taxpayer dollars over the course of 5 years to study how hearing good or bad news affects your happiness. Though each person's emotions are unique, the Federal government is still trying to find one common answer, and make you foot the bill."

Of course, such wasteful spending, though illustrative of how carefully the feds spend other people's money, is just a drop in the bucket compared to overall spending. To truly tackle the fiscal crisis, the socialist onslaught needs to be stopped and reversed — efficient socialism is not the answer.

Against Tax Cuts, for Wealth Redistribution

The future will not be rosy if more Biden-omics is imposed. Yet, in a January address to the World Economic Forum, Treasury Secretary Janet Yellen pointed to more big government as the way to salvation. That includes spending on some (currently stalled) plans for a global minimum tax; claiming that more subsidized child-care would expand the labor supply in the United States; and throwing more greenbacks at public infrastructure.

As the *Wall Street Journal* has reported, the Biden administration's "approach is a departure from



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traditional supply-side economics, which seeks to promote economic growth through tax cuts and deregulation,” citing the secretary’s speech. She rejects what should be common sense and the record of progress over many years, telling the foreign audience, “Significant tax cuts on capital have not achieved their promised gains.” And, she said, “deregulation has a similarly poor track record.”

Yellen is promoting what she calls “modern supply-side economics,” which is the reverse of what works. The Biden administration will try, in her words, to “spur economic growth by both boosting labor supply and raising productivity, while reducing inequality and environmental damage.”



Don’t do this in California: The Biden administration plans to spend more than \$2 million to incentivize California residents to remove their fireplaces, ostensibly in the name of “going green.” Such wasteful spending is par for the course. *(Photo credit: svetikd/GettyImagesPlus)*

Anyone not enamored of putting Washington in charge of everything can see through that scheme. Conservatives and Republicans maintain, as the *Journal* put it, that Biden’s economic agenda, “which calls for increased federal government spending, can have negative consequences, including stoking stronger inflation, causing larger government deficits and crowding out private-sector investment.”

Bidenonomics, taking its cue from progressives, holds that what the country needs is “human infrastructure” — which seems to have a flexible meaning. Look, for example, in the 2022 Biden budget, and you find enough redistribution of wealth to delight Karl Marx. And if the admitted income transfers in the Biden budget were considered a country, the total would be larger than the entire economy of today’s Germany.

Last summer, Issues & Insights looked at the “Historical Tables” of the 2022 budget and found a new record of \$4.9 trillion earmarked for such matters, in a category labeled “direct payments to individuals.” Commented I & I:

These payments, mind you, don’t count salaries paid to federal employees or the cost of buying equipment. It’s just what the name states — direct money transfers. As the budget document explains: “These are federal government spending programs designed to transfer income (in cash or in-kind) to individuals or families. To the extent feasible, this category does not include reimbursements for current services rendered to the Government (e.g., salaries and interest).”



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Under Biden, direct payments hit a huge new record high. Think about it this way. At \$4.9 trillion, “direct payments to individuals” this year are equal to the entire federal budget of just two years ago. These money transfers will account for 22.3% of the nation’s entire GDP.

Eureka! That is why Uncle Sam has trouble keeping his balance: There are too many hands in his pockets.

Build Back Better: Bruised but Breathing

If you think things couldn’t get worse, imagine successfully adding Biden’s profligate so-called Build Back Better plan to the government’s agenda. This amalgam of bad ideas — seeking, among others, a Green New Deal, more entitlement programs, an expansion of socialized medicine, and additional taxation — hit the wall after about five months of being knocked around Capitol Hill. At least for a while. Though it has been declared dead in some quarters, vampirish notions don’t really die, and they usually are resurrected in another fashion.

Temporarily stymied, some Democrats are talking about passing “chunks” of their climate-change and social-welfare package, perhaps with a (notional) price tag of \$1.75 trillion. The Build Back Better crowd has not given up the overall fight, though their tactics may change. As related by Rachel Greszler, a research fellow at the Heritage Foundation, it has been around two years since the pandemic began, “and after \$6.6 trillion in total federal spending on it — the equivalent of \$51,600 per household — some policymakers want to pass yet another so-called COVID-19 relief package.”

Also cautioning the public to be alert for a revival of the BBB legislation are Linda McMahon and Chris Sununu. (McMahon is the chairwoman of the board of the America First Policy Institute and served in former President Trump’s Cabinet as administrator of the Small Business Administration. Sununu is the governor of New Hampshire.) They recently reminded readers of the *Washington Examiner* that the Build Back Better legislation includes

a steep tax hike on job creators. The Biden administration and our perpetually fiscally irresponsible Congress want to raise the corporate tax rate from 21% to 28%, hampering growth and raising prices for consumers. The National Taxpayers Union finds that this rate hike would impose a nearly \$100 billion dollar burden on households making less than \$100,000 per year. What’s worse, Biden’s spending plan would also tax capital gains at a higher rate than China, disincentivizing investment and dragging down our economy.

Let’s hope — and work to ensure — that the occupant of the Oval Office doesn’t live up to his overdone promises. That is the road to ruin.

William P. Hoar is a longtime writer for The New American and its predecessor magazines, and has served as editor-in-chief and contributor for other publications.



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